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**March 1996
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THE NATIONAL SHIPBUILDING RESEARCH PROGRAM

Review of the Environmental Protec- tion Agency's Common Sense Initia- tive

**U.S. DEPARTMENT OF THE NAVY
CARDEROCK DIVISION,
NAVAL SURFACE WARFARE CENTER**

**in cooperation with
National Steel and Shipbuilding Company
San Diego, California**

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Common Sense Initiative**

**U.S. DEPARTMENT OF THE NAVY
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FINAL REPORT

REVIEW OF
ENVIRONMENTAL PROTECTION AGENCY'S
COMMON SENSE INITIATIVE

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CHAPTER I: INTRODUCTION

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On November 19, 1993, Environmental Protection Agency ("EPA") Administrator Carol M. Browner introduced a new, ambitious initiative designed to change the way EPA develops and implements environmental policies and regulations in this country: the Common Sense Initiative ("CSI"). CSI is designed to replace EPA's current pollutant-by-pollutant regulatory system with an industry-by-industry approach. Under the CSI, EPA has convened numerous stakeholders, including federal, state, and local governments, community-based and national environmental groups, environmental justice groups, labor, and industry to examine the full spectrum of environmental regulations affecting six industries: automobile manufacturing, computers and electronics, iron and steel, metal finishing, petroleum refining, and printing. CSI's goal is to find "cleaner, cheaper, and smarter" methods to protect the environment and to regulate the six participating industries.

This report describes CSI's history, the six industries involved in the Initiative and the environmental issues they are addressing, the progress made during the first year of CSI, and the pros and cons associated with participating in the Initiative. The purpose of this report is to provide the shipbuilding and ship repair industry with an overview of CSI and a recommendation as to whether the industry should encourage EPA to expand CSI to include the shipbuilding and ship repair industry.

CSI is a very dynamic program. This report represents only a snapshot of the status of the six industry sectors as of January 1996. Although the status of the numerous sector projects will change, the over all recommendations of this report are unlikely to be affected by events that may or may not take place in the foreseeable future. Moreover, opinions included in this report

are those of the drafters and should not be purported to represent the official views of any of the six industry sectors.

CHAPTER II: BACKGROUND

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Over the past three decades, the field of environmental law has grown from nearly nonexistent to nearly overwhelming. Historically, most environmental laws and policies have been developed on an emergency basis, crisis-by-crisis, pollutant-by-pollutant. For example, the Clean Water Act (“CWA”) was passed in part in response to the Cuyahoga River catching fire in 1969. The Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA” or “Superfund”) was promulgated in response to Love Canal. Congress enacted the Safe Water Drinking Act following the contamination of New Orleans’ drinking water supply. With very few exceptions, the current regulatory system regulates air, land, and water separately, often resulting in the mere shifting of pollution from media to media. Moreover, little attempt is made to develop regulations that specifically address the environmental impacts associated with particular industries. This approach has resulted in the creation of a very complex, overlapping, and sometimes inconsistent regulatory system that often does not make “common sense.”

In recognition of this fact, in 1993 Administrator Browner launched CSI in an effort to bring stakeholders from six pilot, industries together to develop, on an industry-specific basis, a common sense approach to protecting the environment that would result in “cleaner, cheaper, and smarter” regulations. Administrator Browner has made CSI the centerpiece of her administration and has pledged to institutionalize the CSI process. It is her belief that in order for EPA to protect the environment well into the next century, the current pollutant-by-pollutant system must be replaced with a system that looks at “whole facilities, whole industries, and their overall impact on the environment” (see & Attachment 1).

CHAPTER III: CSI OPERATING PRINCIPLES

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CSI operates under the Federal Advisory Committee Act ("FACA"), which delineates how federal agencies can seek advice from outside stakeholders. The Common Sense Initiative Council ("CSIC"), which is the parent council of the six CSI subcommittees (see Attachment 1), was established on October 17, 1994 within EPA under a FACA charter approved by the Administrator and the Office of Management and Budget ("OMB"). CSIC is EPA's national advisory committee for the formulation of recommendations and advice on the nation's pollution programs relating to the six pilot sectors. CSIC brings affected stakeholders together to develop consensus-based recommendations for presentation directly to the EPA Administrator. CSIC is chartered to analyze six programmatic areas: regulation, pollution prevention, recordkeeping and reporting, compliance and enforcement permitting, and environmental technology.

The Council is directly responsible for:

- ensuring timely progress is made toward achieving CSIC's chartered objectives;
- deliberating, approving, and presenting to EPA the recommendations developed by its sector subcommittees;
- reviewing subcommittee recommendations for potential applicability to multiple CSI sectors or other industries; and
- identifying opportunities for joint projects among the sector subcommittees and **developing multi-sector consensus recommendations.** ^{1/}

CSIC's functions also include holding meetings, analyzing issues raised by the subcommittees, conducting reviews, and performing studies and projects intending to find cleaner,

^{1/} The Council is also required, pursuant to FACA, to: publish notice of meetings in the Federal Register, hold open meetings and take and distribute minutes of the meetings.

cheaper, and smarter recommendations for administrative, regulatory, and statutory changes (see Attachment 2).

The CSIC and sector subcommittees are made up of experts selected from national and local environmental groups, industry, labor organizations, environmental justice organizations, and federal, state, and local governments. CSIC and subcommittee members are appointed by the Administrator for one-year terms. The CSIC is comprised of representatives from each of the six subcommittees and is chaired by Administrator Browner and co-chaired by EPA Deputy Administrator Fred Hanson. Only those persons appointed (or their designated replacement) to the CSIC or a subcommittee are permitted to vote for purposes of reaching consensus. All non-federal members are appointed to represent non-federal interests and are therefore not subject to conflict of interest restrictions. Positions taken by CSIC and subcommittee members are intended for CSI only and are not binding on the stakeholders for other purposes, such as litigation or administrative action.

The six sector subcommittees (one for each industry) receive their FACA authority from and must report directly to the CSIC. Each of the six subcommittees is co-chaired by an EPA assistant administrator and a regional administrator. Sector subcommittees are not permitted to provide advice directly to EPA or the Administrator, rather advice and recommendations developed in the subcommittees must be forwarded to the CSIC for deliberation. Such recommendations must be consensus based and submitted in draft form to the CSIC for review for a minimum of 30 days. CSIC has the authority to waive this requirement when an immediate decision is required.

The subcommittees are also broken into smaller working groups that report directly to their parent subcommittee. All workgroup recommendations must be approved (consensus-based approval) by the full subcommittee before they can ultimately be sent to the Council for consideration. Unlike the CSIC and the six subcommittees, sector workgroup members need not be appointed by the Administrator in order to participate. Most workgroup members are not official subcommittee members, but rather are representatives of the various stakeholder groups. For the most part, workgroup memberships were established early in the process and included those persons that attended the meetings and expressed an interest in participating. However, additional members can be added to the workgroup with the approval of the subcommittee. Despite the fact that they are not appointed, workgroup members are permitted to vote on workgroup decisions. Moreover, pursuant to FACA, all CSI meetings must be open to the public and provide time for public comment on issues discussed at a meeting.

CSIC has 90 days from the date a recommendation is forwarded to the Council to act on a recommendation. Provided that a consensus is reached by CSIC, a recommendation may then be made to the Administrator for consideration. The Administrator is not bound by CSIC recommendations and may choose not to implement the recommendations. If a consensus cannot be reached, the Council could decide to forward the various views, agree to continue working until a consensus is reached, or agree to table the issue. All CSIC decisions are publicly available and subject to the Freedom of Information Act (see Attachment 2).

CHAPTER IV: SUMMARY OF CSI PILOT SECTORS

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EPA selected six industry sectors to participate in CSI's initial phase ("Phase I"): automobile manufacturing, computers and electronics, iron and steel, metal plating and finishing, petroleum refining, and printing (see Attachment 1). EPA believes that these six industries represent a cross-section of U.S. industry, both in terms of environmental problems and the types of manufacturing processes. These industries comprise approximately 11 percent of the U.S. gross national product, employ close to four million people, and account for approximately 12 percent of the toxic releases reported by all American industry in 1992.

Assuming the initial CSI phase is deemed successful, EPA intends to expand the concept to all U.S. industries, including the shipbuilding and ship repair industry. EPA has not established a hard time-frame for concluding Phase I or a procedure for expanding the CSI process to include other industrial sectors. Administrator Browner, however, has made it clear that the CSI is her primary initiative and that she would like to see it continue indefinitely. Realistically, the fate of CSI in general, and specifically whether it will be expanded to include additional sectors, is, in large part, dependent upon the success or failure of Phase I and on the priorities of the next EPA administrator. However, given the emphasis that Administrator Browner has placed on CSI, it is likely that CSI will continue throughout her administration.

The six sector subcommittees report directly to the full CSIC. The sector subcommittees have been instructed by the CSIC to work on finding cleaner, cheaper, and smarter approaches to environmental protection that include the following six areas:

Regulation	Review regulations for opportunities to achieve greater environmental gains at less cost. Improve rules through increased coordination and consolidation.
Pollution Prevention	Actively promote pollution prevention as a standard business practice and a central ethic of environmental performance.
Reporting	Make it easier to assist companies to provide, and for the public to use, key information about facilities' environmental performance.
Compliance	Find innovative ways to assist companies that seek to obey and exceed legal requirements while consistently enforcing the law against those that do not.
Permitting	Encourage permitting that works more efficiently, encourages innovation and creates broader opportunities for public participation.
Environmental Technology	Provide industry with incentives and flexibility to develop innovative technologies that meet and exceed environmental standards while cutting costs.

With regards to developing cleaner, cheaper, and smarter regulations, EPA has instructed the sectors to find solutions that are: (1) focused on the industries as a whole, instead of one pollutant at a time; (2) consensus based rather than adversarial and entrenched; (3) based on the concept of pollution prevention rather than end-of-the-pipe-only controls; (4) industry specific rather than one-size-fits-all; and (5) flexible means of achieving tough, but not rigid and stifling, environmental standards (see Attachment 1).

Consistent with this charge, each of the subcommittees has selected specific areas of concern to their industry and have assigned various workgroups to address those issues. Below is a status report on each of the six sectors.

I. Automobile Manufacturing Sector

The Automobile Manufacturing Sector Subcommittee (“Auto Sector”) is comprised of 24 stakeholders representing industry, federal and state government, and environmental and public interest groups. The Subcommittee is co-chaired by Mary Nichols, EPA Assistant Administrator, Office of Air and Radiation, and John Hankinson, Regional Administrator, EPA Region IV (see Roster attached as Attachment 3). The Subcommittee has been meeting bi-monthly since January 31, 1995.

The Auto Sector is divided into three workgroups: Alternative Regulatory System/Community Technical Assistance; Regulatory Initiatives; and Life Cycle Management. The workgroups are comprised of various members of the full subcommittee as well as additional representatives from each stakeholder group. Unlike other CSI sectors (e.g., Iron and Steel Sector) the workgroups have cross-over membership and thus cannot meet simultaneously. Instead, each workgroup meets independently and then periodically reports to the full subcommittee.

A. **Alternative Sector Regulatory System/Community Technical Assistance Workgroup**

The Alternative Sector Regulatory System/Community Technical Assistance (“ASRS”) Workgroup has identified three project objectives. The Workgroup’s first goal is to “design an alternate, simple, flexible and efficient environmental protection system for the auto sector with broad applicability to the range of assembly plants” (see Attachment 4). Second, the Workgroup intends to design model programs that include technical assistance to facilitate positive industry/community relationships and to help define local communities’ role in establishing environmental regulations. Third, the ASRS intends to develop recommendations to the EPA

Administrator, based on the above efforts, that will result in “cleaner, cheaper, and smarter” environmental protection.

B. Regulatory Initiatives Workgroup

To date, the Regulatory Initiatives Workgroup has focused on the various Clean Air Act (“CAA”) permitting regulations. Specifically, the Workgroup is analyzing the CAA Title V operating permits program, the New Source Review (“NSR”) program, and CAA section 112 (addressing hazardous air pollutants) in order to identify areas of concern for the automobile industry and environmentalists. The Workgroup’s stated goal is to “identify and recommend corrective measures for existing and/or proposed regulations that are redundant, provide insignificant environmental benefits, or otherwise serve as barriers to efficient and accessible air permitting” (see Attachment 4). Once issues have been identified, the Workgroup intends to further explore the problem, identify and evaluate alternative solutions, and to make a recommendation to the Administrator.

Although the Workgroup has identified areas of concern it would like to address, consensus has not yet been reached on a specific agenda. Progress within the Workgroup has been hampered by EPA’s delays in publishing its proposed NSR and CAA section 112(g) regulations. Both of these rulemakings were supposed to be proposed in the Fall of 1995; however, the government shutdown has delayed EPA’s anticipated publication date until the Spring of 1996.

The Workgroup still intends to review EPA’s proposed NSR regulations once they are formally proposed. Specifically, industry would like to analyze EPA’s NSR reform package in order to recommend ways to streamline the permitting process. Industry believes that the current

system unnecessarily delays the permitting process and that a more efficient permitting process would benefit all stakeholders. EPA has refused to discuss the proposal until it has been approved by OMB. Consequently, the Workgroup has been unable to begin working on this issue.

The Workgroup has also agreed to review EPA's current hazardous air pollutant ("HAP") program, with specific focus on EPA's draft section 112(g) requirements.^{2/} However, similar to the problem it has faced with NSR, the Workgroup has been unable to initiate its review because EPA has not yet completed its proposed rule. The Workgroup anticipates that EPA will publish its section 112(g) rulemaking sometime this year, at which point the Workgroup could begin working on the issue.

The only progress the Workgroup has been able to make to date has been with regards to CAA Title V. Specifically, the Workgroup reviewed EPA's Title V "Whitepaper" and agreed to endorse the concept of streamlining the permitting process. With the approval of the Subcommittee, the Workgroup drafted an endorsement and submitted it to the CSI Council for approval.^{3/}

^{2/} CAA section 112(g) regulates the construction, reconstruction, and modification of hazardous air pollutant sources.

^{3/} The endorsement, which was largely industry's idea, generated controversy at the CSIC level. The recommendation agreed to by the Auto Sector was a general endorsement of EPA's CAA Title V "Whitepaper," which sets forth permit streamlining mechanisms that states can adopt to ease the burdens of the federal permitting program. However, the Administrator interpreted the recommendation as an endorsement of the entire Title V program. Industry representatives were angered by what they perceived as an attempt by Administrator Browner to broaden the scope of the recommendation and almost walked out of the CSIC meeting.

C. Life-Cycle Management Workgroup

The Auto Sector's third Workgroup is the Life-Cycle Management Workgroup. As the name implies, the Life-Cycle Management Workgroup is focusing on developing principles and strategies for the application of life-cycle management through enhanced supplier partnerships. The Workgroup's goal is to explore more efficient methods of reducing "downstream" pollution by working with upstream suppliers to improve their environmental management practices.

Life-Cycle Management ("LCM") is the cooperative effort by all the actors within the life cycle of a product to redesign production processes to reduce overall environmental impacts. The Workgroup is developing a LCM program that will rely upon assessment tools, such as Life-Cycle Assessment, management systems, cooperative relationships between up- and downstream facilities, called Life-Cycle Partnerships.

The Workgroup is currently trying to organize suppliers and incorporate them into the CSI process. Several suppliers were scheduled to attend the Workgroup's December 1995 meeting, but the meeting was canceled due to the government shutdown. An industry representative indicated that the Workgroup hopes to have the suppliers attend the next meeting. The Workgroup anticipates submitting a final report on its project findings by the end of 1996.

II. Computers and Electronics Sector

The Computers and Electronics Sector is co-chaired by Lynn Goldman, Assistant Administrator, Office of Prevention, Pesticides and Toxic Substances, and Felicia Marcus, Regional Administrator, EPA Region IX@ Roster attached as Attachment 3). EPA had a very difficult time finding state representatives that were interested in participating in this CSI sector, thus the Subcommittee did not hold its first meeting until March 1995. In addition to its late

start, because of its diverse membership, many of which are not very familiar with the industry, the Subcommittee invested a significant amount of time obtaining background information so that all parties can operate from a common understanding of the issues.

Consistent with EPA's charge for each CSI subcommittee to find cleaner, cheaper, smarter approaches to environmental protection, the Computers and Electronics Subcommittee established the following goals for the sector:

- eliminate regulatory barriers to and provide incentives for recycling, pollution prevention, and product stewardship;
- improve reporting and compliance activities and make information more accessible to stakeholders; and
- improve environmental quality.

See Attachment 5. To that end, the Subcommittee established three workgroups to focus on three priority issues: Reporting and Public Access to Information Barriers to Pollution Prevention and Product Stewardship; and Integrated and Sustainable Alternative Strategies for Electronics.

A. Reporting and Public Access to Information Workgroup

The Reporting and Public Access to Information Workgroup has been working on developing a Combined Uniform Report for the Environment ("CURE") reporting system. The goal of this project is to assess the information needs of all interested stakeholders and then to design a streamlined and consolidated reporting system. The Workgroup is analyzing the various reporting requirements under existing environmental laws and regulations to determine which information is useful and which is unnecessary.

The Workgroup believes that the CURE reporting system will provide "cleaner" results by allowing regulating agencies and the public to have a holistic view of the environmental status

of a particular facility. A consolidated reporting form would also promote targeted pollution prevention activities and will be “cheaper” and “smarter” because redundant and unnecessary reporting requirements would be eliminated.

As of December 1996, the Workgroup was still working developing a specific workplan to complete the project. The Workgroup anticipates developing draft recommendations for review by the full subcommittee by October 1996.

B. Barriers to Pollution Prevention and Product Stewardship Workgroup

The Barriers to Pollution Prevention and Product Stewardship Workgroup has been the most active workgroup within the Computers and Electronics Sector. The Workgroup has been focusing on three projects. The first project is entitled “Solving the Obscure Policy Problem.” The purpose of this project is to recommend to the Administrator a process to ensure that EPA, state, and local regulatory interpretations and/or determinations are compiled, made easily available, and publicized, as appropriate, to interested stakeholders. The Workgroup believes that the current system often neglects community groups, small businesses, and environmental justice groups or otherwise makes information difficult if not impossible, to locate. The Workgroup further believes that EPA policies will be stronger if information is more accessible and all stakeholders have an opportunity to provide input. The Workgroup intends to make a recommendation to the CSIC at its March meeting.

The second project, “Developing a System for Managing Consumer End-of-Life Electronic Equipment,” is working on developing a national system for managing end-of-life consumer electronic equipment. The Workgroup has been gathering information about existing or planned state, local, and international programs for managing end-of-life equipment as well as corporate

programs managing non-consumer equipment. The group has been developing a list of regulatory barriers and/or obstacles to implementing an end-of-life management system, as well as the ideal characteristics of such a system. This project has received Subcommittee approval and is expected to be completed by the end of 1996.

The third project is entitled “Overcoming Barriers to Pollution Prevention and Recycling in the Manufacturing Process.” This project focuses on developing recommendations that would encourage and increase pollution prevention and recycling within the computers and electronics industry. The Workgroup is conducting an examination of the statutory and regulatory barriers to pollution prevention and recycling, with an emphasis on the applicability of Resource Conservation and Recovery Act (“RCRA”) exemptions to zero-discharge wastewater recycling systems. At the conclusion of this case study, the Workgroup intends to develop policy recommendations addressing specific barriers or, if necessary, undertake additional projects to test the recommendations. This project has also been approved by the full Subcommittee and is expected to be completed by the end of 1996.

C. Integrated and Sustainable Alternative Strategies Workgroup

The Integrated and Sustainable Alternative Strategies Workgroup has initiated a project designed to develop an alternative regulatory system (a “Track 2” system) that is more “flexible, results in enhanced environmental, health, and safety performance, and increases engagement of and accountability to local communities and workers” (see Attachment 5). The Workgroup’s goal is to develop a system that is cheaper because it is more flexible, cleaner because of improved performance in meeting environmental goals, and smarter because of enhanced involvement by interested stakeholders. In essence, under such a system, if a facility could demonstrate to EPA

and the state that an alternative approach would be cleaner, cheaper, and smarter, it could define and implement a Track 2 program in lieu of otherwise applicable standards or requirements.

This project has also received full Subcommittee approval and is expected to be completed by the Fall of 1996.

III. Iron and Steel Sector

The Iron and Steel Sector Subcommittee has met on a monthly basis over the last year. The Subcommittee is co-chaired by Bob Perciasepe, Assistant Administrator, Office of Water, and Dave Ullrich, Deputy Regional Administrator, EPA Region V (see Roster attached as Attachment 3). The Subcommittee consists of a variety of stakeholders, including EPA, state and local governments, industry representatives from all sectors of the industry, and national and local environmental and environmental justice representatives. The Iron and Steel Subcommittee has been one of the most active. The full Subcommittee has met every month since January 1995, and the workgroups, in addition to monthly meetings, have convened through conference calls and independent meetings.

The Iron and Steel Sector is divided into four separate workgroups. Each workgroup is comprised of Subcommittee members and non-committee stakeholders representing each of the affected stakeholders. The four workgroups are Brownfields, Compliance, Innovative Technology, and Permits. The workgroups have been concentrating on the following areas (see Attachment 6 for a summary of Iron and Steel Sector projects):

A. Brownfields Workgroup

The Brownfields Workgroup has been working on a brownfields demonstration pilot project, the goal of which is to develop and document a process for redeveloping iron and steel

brownfield sites. The Workgroup has been working with the City of Birmingham, Alabama, which has received an EPA National Brownfields Pilot Project Grant, and the Northwest Indiana Brownfields Redevelopment Project to identify two sites to participate in a pilot project. The project will develop a model redevelopment authority structure and work at the two selected sites to implement a redevelopment program to put properties back into environmentally sustainable uses.

The Brownfields Workgroup has made considerable progress and has captured the attention of Administrator Browner. The Workgroup submitted and the full Subcommittee approved ten guiding principles that it believes should be applied in a broad sense to EPA's brownfields strategy. The Iron and Steel Subcommittee expects to forward the guiding principles to CSIC for consideration at its March 1996 meeting. The Workgroup also anticipates that it will reach an agreement with the City of Birmingham and the Northwest Indiana Brownfields Redevelopment Project regarding two pilot sites by the end of March. However, the government shutdown may push that date back.

B. Compliance Workgroup

The Compliance Workgroup has been focusing primarily on two projects. The first project, the "Alternative Compliance Strategy Project," will compare the derivation of technology-based emission standards with policies regarding their enforcement to ascertain if EPA's enforcement policies reflect the inherent variables of the technology in question. This project was prompted by industry's concern that emission standards and EPA's enforcement policies do not reflect statistical fluctuations in technology. In other words, EPA's current policies require sources to be in compliance 100 percent of the time even when data indicate that a piece of

equipment can only achieve a specific emission standard 99 percent or less, of the time. An iron and steel mill has agreed to participate in the case study, which is expected to begin in March 1996.

The Compliance Workgroup is also working on a “Consolidated Reporting Project.” The object of this project is to identify ways for consolidating reporting requirements into one multi-media reporting requirement. The Workgroup has been working with the States of Colorado and Utah as well as EPA to collect information on the panoply of reporting requirements applicable to iron and steel mills. Once the data are collected and reviewed, the Workgroup intends to develop and ultimately recommend a streamlined reporting system.

C. Innovative Technology Workgroup

To date, the Innovative Technology Workgroup has been focusing on implementing a computer bulletin board that would contain information concerning new technology and other identified areas and identifying regulatory and statutory barriers to the adoption of “innovative technology.” Implementation of a bulletin board has already received approval from the Subcommittee. The Workgroup is now gathering information on cost, location of the bulletin board, and information that should be included on the bulletin board. The Workgroup anticipates that the new bulletin board will be placed on-line in 1996.

The focus of the Workgroup’s second project “Regulatory, Administrative, and Statutory Barriers to Innovative Technology,” is to identify current statutory and regulatory barriers to the adoption of innovative technologies. As part of the project, the Workgroup has been reviewing EPA’s current RCRA definition of “solid” waste to determine its effect on recycling. The Workgroup solicited and received position papers on the subject from a variety of stakeholders,

including the iron and steel industry and various environmental groups. Although the Workgroup never adopted an official position, EPA utilized the position papers to develop a rulemaking modifying the “definition of solid waste” as it applies to the primary mineral processing industry. Due to resistance from the Subcommittee’s environmental stakeholders, the Subcommittee recently directed the Workgroup to discontinue its work on the definition of solid waste. The Workgroup will now focus on identifying other barriers to innovative technology.

The Workgroup is also investigating ways that EPA and the Department of Energy can work with the iron and steel industry to foster the development of innovative technology that is more environmentally friendly. This project has not progressed beyond the information gathering stage.

D. Permits Workgroup

The Permits Workgroup has been working primarily on a multi-media permitting project. The project will investigate the environmental benefits of replacing media-specific permits with multi-media permits. The Workgroup is modeling its pilot project after the State of New Jersey’s multi-media pilot project. The Workgroup’s pilot project has five main elements: (1) the creation of pollution prevention plans; (2) streamlining and integrating regulatory requirements into a single permit (3) creating an efficient and accessible electronic reporting system; (4) identifying an improved public participation process; and (5) investigating the environmental benefits of cross-media trading.

The project will be conducted at a volunteer iron and steel facility and will be supervised by an outside consultant. The Workgroup has drafted a Request for Proposal and intends to

initiate the project in the Spring of 1996. At the conclusion of the project, the Workgroup will prepare a final report for submission to the full Subcommittee.

In conjunction with the Compliance Workgroup, the Permits Workgroup is also working on an “Electronic Data Interchange” project, the goal of which is to develop a more streamlined process for sources to comply with their current reporting requirements.

IV. Metal Finishing Sector

By far the most productive group to date has been the Metal Finishing Sector. The Sector is chaired by David Gardiner, Assistant Administrator, Office of Policy, Planning, and Evaluation, Robert Huggett, Assistant Administrator, Office of Research and Development, and John DeVillars, Regional Administrator, EPA Region I (see Roster attached as Attachment 3). The Subcommittee has been meeting on a monthly basis since its first meeting on January 19, 1995.

The Metal Finishing Sector has established five workgroups, each of which has developed specific projects designed to identify “cleaner, cheaper, and smarter” opportunities for the industry. The workgroups are: Regulatory and Reporting Issues; Research and Technology; Promoting Improved Performance; Environmentally Responsible Transition; and Compliance and Enforcement (see Attachment 7 for a summary of Metal Finishing Sector projects).

The Subcommittee has based its project ideas, in part, on a performance “tier” structure that was developed by industry for an industry-sponsored project. The tier structure is designed to serve as a framework for targeting policy options to meet the needs and opportunities presented by each tier:

Tier 1	Tier 1 firms are consistently in compliance with regulatory requirements and are the most proactive in making environmental improvements beyond mere compliance.
Tier 2	Facilities in this category represent the largest segment of the industry. The primary objective of these firms is to be in compliance with existing regulatory requirements. Although these firms are substantially in compliance, they lack the resources or motivation to move beyond baseline compliance.
Tier 3	Tier 3 facilities include old and outdated firms that are not sufficiently profitable to invest in new pollution controls and may want to shut down, but cannot due to the environmental liability that would be tied to closing.
Tier 4	Tier 4 firms represent the minority of firms that are out of compliance and make no attempt to come into compliance. Tier 4 firms compete with higher tier firms by avoiding the costs associated with environmental compliance.

Each of the projects being developed by the Subcommittee is intended to move firms up or out of the tier structure. Some of the projects are designed for the higher tiers, while others are intended to address the environmental problems of the lower tiers (see Attachment 7).

A. Regulatory and Reporting Issues Workgroup

The Regulatory and Reporting Issues Workgroup currently has two projects underway. The first project addresses the RCRA “definition of solid waste” as it applies to the metal finishing industry, with a specific emphasis on metal finishing wastewater treatment sludges regulated under hazardous waste code F006. The Workgroup’s goal is to develop recommendations that will encourage and remove the obstacles to the environmentally-sound recycling of F006 sludge. Moreover, the Workgroup hopes that its recommendations will be incorporated into EPA’s current examination of the RCRA definition of solid waste. The

information gathering stage of this project is expected to be completed by the Spring of 1996 with recommendations forwarded to the full Subcommittee by December 1996.

The Workgroup's second project is entitled "Reporting Information Inventory Team Evaluation" ("RIITE"). The RIITE project is examining federal, state, and local reporting requirements for metal finishers and investigating ways to streamline existing reporting requirements and to promote better environmental performance. Two pilot projects have been initiated at facilities in Arizona and Texas to scrutinize their existing reporting obligations. This project is expected to result in a recommendation for Subcommittee approval by April 1996.

B. Research and Technology Workgroup

The Research and Technology Workgroup has obtained Subcommittee approval for two projects. The first project is investigating pollution prevention technologies for chrome emissions; the second involves researching the industry's technology needs. The projects will include testing of new technologies on a pilot basis at several midwest facilities. The work is being conducted by several outside research groups with CSI oversight. The purpose of this project is to demonstrate low-cost technology improvements which emphasize pollution prevention in meeting new maximum achievable control technology ("MACT") standards under the Clean Air Act. A report on this project is scheduled to be completed by April of 1996.

The Workgroup's second project involves the development of an inventory of federal research and development ("R&D") projects currently underway or planned for metal finishers and an assessment of the technology needs of the industry. The information gathered during this investigation will be used by the Workgroup to develop a R&D plan that prioritizes the industry's research needs.

C. Promoting Improved Performance Workgroup

The Promoting Improved Performance Workgroup also has been working on two projects. The first project is the creation of a compliance Guidance Manual that would include comprehensive information on federal and state regulatory requirements, as well as technology options, pollution prevention approaches, and environmental management systems. The Guidance Manual is intended to serve as a comprehensive, plain language tool for use by facilities to ensure continuing compliance with environmental regulations. The project is being co-sponsored by EPA and the industry trade associations and guided by the Metal Finishing Sector. The objective of this project is to develop the manual, create a system for regular content updates, and promote its widespread use throughout the metal finishing industry. The Workgroup anticipates soliciting bids for this project from outside consultants in the Spring of 1996 and will complete the project six months thereafter.

The Workgroup's second project "Flexible Track Projects," is in the process of identifying alternative performance "tracks" for metal finishing facilities in Tiers 1 and 2 described above. An alternative track would consist of reductions in specific regulatory burdens in exchange for commitments to achieve environmental performance above and beyond mandated levels. The Workgroup intends to test the alternative track concept at three pilot facilities located in Connecticut, Michigan, and Rhode Island. A recommendation based on these pilots is expected to be completed by June 1996.

D. Environmentally Responsible Transition Workgroup

The Environmentally Responsible Transition Workgroup has focused on a project that is intended to develop and demonstrate a replicable process which overcomes the environmental,

financial, and institutional barriers to the transition of a Tier 3 facility to more productive uses. Tier 3 facilities are those that would like to make a transition out of the business, but are prohibited from closing for a variety of reasons, including environmental liability. The Workgroup is currently working with a facility in Connecticut and the Connecticut Department of Environmental Protection to develop a strategy for transferring and remediating the facility. The lessons learned from this project will be transformed into a recommendation to the full Subcommittee by August 1996.

E. Compliance and Enforcement Workgroup

The Compliance and Enforcement Workgroup of the Metal Finishing Sector is currently working on three separate projects. First, the Workgroup has initiated the creation of a computerized “National Resource Center” for the metal finishing industry. The Resource Center will provide a central location for metal finishers to acquire information about technical and compliance-related issues that affect the industry. The Center, which is expected to be opened on a pilot basis by the Summer of 1996, will provide on-line service that can be accessed through the Internet and used by all interested stakeholders.

The second project is “Compliance Leadership Through Enforcement, Auditing and Negotiation” (“CLEAN”). This project is intended to combine pollution prevention assistance and enforcement amnesty as incentives for improved environmental performance. This project is being funded through outside grants, the Center for Technology Transfer/Maine Metal Products Association, and the University of New Hampshire. Under the project, numerous facilities will receive multi-media audits that evaluate pollution prevention opportunities and compliance issues.

As envisioned by the Workgroup, companies that take advantage of the CLEAN program and undertake pollution prevention and source reduction options would receive enforcement amnesty for any violation discovered and timely corrected. The Workgroup anticipates that amnesty under the CLEAN program would be consistent with the principles set forth in EPA's 1994 Interim Policy on Compliance Incentives for Small Business. The project has received full outside funding and is expected to last throughout 1996.

The Workgroup's third project focuses on Publicly Owned Treatment Works ("POTW") training. This project is based on the premise that POTWs impact the environmental performance of metal finishers. The goal of the project is to develop methods to improve the performance of "lower tier" POTWs, so that they can better manage their industrial dischargers and minimize releases to the environment. The Workgroup intends to characterize poor performing POTWs, evaluate the causes of their poor performance, and develop educational materials and incentives for POTWs to improve. The Workgroup has already identified pilot POTWs in Indiana, New York, and Arizona. The Workgroup's analysis is expected to be completed in the Spring of 1996 with a final recommendation to the full Subcommittee thereafter.

In addition to the projects summarized above, the Metal Finishing Subcommittee is still considering several other projects (see Attachment 7).

V. Petroleum Refining Sector

The Petroleum Refining Sector Subcommittee held its first meeting in February 1995 and has been meeting ever since on a monthly basis. The Subcommittee is co-chaired by Elliott Laws, Assistant Administrator, Office of Solid Waste and Emergency Response, and Jane Saginaw, Regional Administrator, EPA Region VI (see Roster attached as Attachment 3). The

Subcommittee created four workgroups to explore in-depth issues concerning permitting and compliance, regulatory reform, reporting and recordkeeping, and accident prevention and training. The four workgroups are: Regulatory Reform; Reporting and Recordkeeping; Accident Prevention; and Compliance and Permitting (see Attachment 8 for a summary of Petroleum Refining Sector projects).

Deliberations within these four workgroups have been very contentious throughout the year and have prevented the sector workgroups from experiencing much progress. Specifically, there has been a lot of squabbling over what the sector's goals should be and what projects should be undertaken. Both sides cite the lack of trust as the primary reason for the lack of progress.

To date, the Subcommittee has only reached consensus in concept on two projects: the "One-Stop Shopping" project and the "Fugitive Emissions" project. The Subcommittee hopes that these two projects will help build working relationships between the various stakeholders and lead to the initiation of additional, more aggressive projects.

The goals of the One-Stop Shopping project are: (1) to eliminate the redundancy, overlap, and obsolescence in air emission reports; (2) facilitate understanding and accessibility of reported data on the part of the community, state, local, and federal regulators; and (3) to translate the results of the project into a recommendation for streamlined reporting. Through the support of an EPA contractor, the Workgroup intends to analyze existing reporting requirements applicable to the petroleum industry and to develop recommendations for eliminating unnecessary or redundant information.

As of December 1995, the Subcommittee had not yet selected a pilot facility for the project. However, a facility is expected to be selected in the near future and the project is scheduled to be completed by the Fall of 1996.

The Subcommittee also reached consensus that the Fugitive Emission Workgroup should investigate a potential project that could result in more effective and efficient approach to regulations pertaining to equipment leaks. Specifically, the project team was charged with the following:

- develop educational material regarding the regulatory requirements for leak detection and repair program;
- discuss the types of projects which would need to be done in order to achieve the goal of developing a more cost-effective approach for regulating fugitive emissions; and
- investigate reinventing fugitive emission regulations to be cleaner, cheaper, and smarter.

See Attachment 8.

The project has not advanced beyond the concept stage because the Workgroup has been unable to reach consensus on the scope and goals of the Fugitive Emission project. Given the history of the group, consensus is doubtful.

VI. Printing Sector

The Printing Sector was slow to get off the ground, due in large part to delays in appointing members to the Subcommittee. The Printing Subcommittee did not hold its first meeting until February 1995 and did not develop proposed workplans until May 1995. The Subcommittee, which is chaired by Steve Herman, Assistant Administrator, Office of Enforcement and Compliance Assurance, and co-chaired by Peter Kostmayer, Regional

Administrator, EPA Region III (see Roster attached as Attachment 3), has met on a bimonthly basis since February 1995; however, its December meeting was canceled due to the government shutdown (see Attachment 9 for a summary of Printing Sector projects).

The Printing Sector has four workgroups: Goals, Objectives, Milestones & Shared Visions; Marketing Infrastructures and Innovation; Regulations and Compliance; and Data Collection, Grading & Measurement. Although the workgroups have identified an array of potential issues, to date, the Subcommittee has focused primarily on three projects.

The first project addresses permit flexibility. The purpose of the project is to develop flexible approaches to permitting, operations, and compliance demonstration using flexibility in permitting options, pollution prevention, and other methods for printing facilities subject to permitting requirements. Industry wanted to keep the project focused on Clean Air Act issues, however, it has since agreed to expand the project to include all media. The Subcommittee has approved the Workgroup's project plan, but a pilot facility has not yet been identified. The Subcommittee anticipates that a pilot facility will be selected in early 1996 and the project will be completed within a year.

The second project entitled "New York Education Project," focuses on screen, lithographic, and flexographic printers located in New York City. The objective of this project is to promote pollution prevention by educating small printing facilities of their regulatory responsibilities and to train them in pollution prevention techniques. The project will also investigate information dissemination techniques that would better assure that small printing shops are informed of and knowledgeable about their environmental responsibilities.

The third project, the “Living Lab Project,” is assessing the environmental information needs of the six stakeholder groups and ways to streamline reporting requirements. During this project, the Workgroup intends to evaluate the types of data available to a typical printing facility and compare that to the information needs of affected stakeholders. The Workgroup then intends to develop recommendations to ensure that data required to be submitted actually meet those information needs. The Workgroup anticipates completing the project by September of 1996.

CHAPTER V: SUMMARY OF INDUSTRY EXPERIENCE WITH CSI

CHAPTER V: SUMMARY OF INDUSTRY EXPERIENCE WITH CSI

Each industry sector's experience with and attitude towards CSI over the course of the last year has been somewhat different. In large part, each sector's experience is directly related to the dynamics of its subcommittee membership. Some sectors (e.g., Metal Finishing and Iron and Steel) have been able to work well with one another and have reached consensus on a number of issues and projects. Other sectors (e.g., Petroleum Refining), however, have had difficulty reaching consensus and have become more frustrated with the process. Several industry representatives from each sector were interviewed to ascertain their opinions on the strengths and failures of the first year of CSI and whether they would recommend CSI to other industry sectors. Although they acknowledged that there have been some upsides associated with CSI, industry's overall evaluation of CSI was critical.

In response to the survey, the CSI industry representatives identified numerous problems with CSI, including:

- industry has devoted substantial time and resources to the process without much progress
- the pace of progress is too slow;
- CSI's consensus-based, decision-making process makes progress extremely difficult, if not impossible;
- EPA's inability to translate ideas into national policy;
- CSI has become a "dumping ground" for numerous issues that EPA does not want address independently and
- once an industry sector enters CSI, there is no way out.

Industry's overwhelming complaint with CSI has been the lack of progress made to date. Industry, and the other stakeholders have devoted substantial amounts of time and resources to

the CSI and have yet to reap any concrete benefits. This, in turn, has started to erode industry's interest in CSI. Several representatives openly admitted that they are anxiously awaiting the end of CSI. They have lost faith in the process and no longer believe that CSI is capable of translating issues into national policy. However, these representatives were quick to note that their respective industries would not be the first to pull out of the process.

Industry blames the lack of progress on what it believes is an inherent flaw in the CSI process, namely, the consensus-based, decision-making format. Pursuant to the CSIC operating principles, before a recommendation can be moved out of a subcommittee and forwarded to the CSIC or before a subcommittee and workgroup can approve and initiate a project, full consensus must be reached. As currently defined by EPA, "full consensus" means 100 percent agreement. Thus, any one workgroup or subcommittee member has the capacity to quash a recommendation or project at any stage in the process. Given the often conflicting interests of industry-and environmental interest and justice groups, achieving consensus, and thus progress, is very difficult, if not impossible.

The difficulties of obtaining consensus has manifested itself at all of levels of CSI. Several sector subcommittees (e.g., Computers and Electronic and Petroleum Refining) have been virtually hamstrung by their inability to reach consensus. Industry representatives have expressed doubts about the commitment on the part of several environmentalist and environmental justice representatives to actually want consensus. At least one industry representative believes that some groups came to CSI with one agenda: block progress. Unless and until EPA modifies **csr's** approval process, many believe that CSI is doomed to fail.

The issue of consensus came to a head following CSIC's October 1995 meeting. For most of 1995, the Metal Finishing Subcommittee was making more progress than any of the other sectors. EPA routinely pointed to the Metal Finishing Sector as an example of the success that could be achieved through the CSI. In September 1995, the Metal Finishing Sector reached consensus on a recommendation that would have removed iron and aluminum from Clean Water Act pretreatment standards. In October, industry representatives officially presented the recommendation to the CSIC for consideration and approval. It was widely believed that there would be no objection to the proposal, especially considering the fact that consensus had been reached within the Metal Finishing Subcommittee. However, at the CSIC meeting, an environmental representative of the Metal Finishing Sector withdrew her approval, resulting in the withdrawal of the recommendation. The behavior of this environmental representative has greatly angered and discouraged industry representatives and has threatened the continued success of the Metal Finishing Subcommittee.

Following the October CSIC meeting, industry openly complained about the definition of "consensus" and called on EPA to change the definition from "100 percent" approval to "substantial approval." EPA never officially responded to industry's request. However, in January 1996, EPA removed an environmentalist and an environmental justice representative from the Petroleum Refining and Printing Subcommittees, respectively. EPA did not believe that these individuals were willing to work with the other stakeholders in an effort to reach consensus. In response to EPA's actions, the environmental and environmental justice communities have threatened to boycott the CSI process. Although several industry representatives believe that this

is a step in the right direction, they do not believe removing selected individuals will resolve the consensus problem.

Industry representatives also indicated that the difficulties and/or inability to reach consensus, as evidenced by the “Metal Finishing disaster,” has had a chilling effect on the process. When CSI was first initiated, industry’s goal was to get as many issues into the CSI as possible. Industry’s attitude has changed. Its current attitude is to keep issues out of CSI. Many industry representatives believe that they have a better chance to shape EPA’s policies by working independently with EPA than they do by working within CSI.

The industry representatives also cited some positives associated with their participation in CSI. First each of the workgroups has initiated projects that could benefit industry. Assuming that the projects can be completed and consensus reached, then CSI may prove to be successful. Second, each of the industry representatives agreed that the relationships that they have developed with EPA, state, labor, and environmental representatives have been beneficial and may prove to be useful in the future. One representative, in fact, believes that the working relationship he has developed with his “adversaries” alone justifies the time spent in CSI.

As part of the industry survey, representatives were asked whether they would recommend CSI to other industry sectors. Without exception the response was the same. As long as EPA maintains its current operating principles, and specifically its definition of “consensus,” other industry sectors should stay out of CSI.

CHAPTER VI: OVERALL ASSESSMENT OF CSI

CHAPTER VI: OVERALL ASSESSMENT OF CSI

CSI is founded on a good premise, namely, that the current environmental regulatory system is in need of change and that cleaner, cheaper, and smarter methods need to be developed that are both protective of the environment and cost effective and tailored to specific industries. However, as evidenced by the first year of CSI, shifting the focus of 20 years of regulations, as well as the adoption of new attitudes set within EPA and the environmental groups, is going to be a very long and arduous process.

It is premature to label CSI as either a success or failure at this time. The process has been contentious and slow and has not yet produced a significant recommendation to the Administrator. However, the six industry sectors have initiated 39 projects that are expected to be completed by the end of 1996, some of which are industry-specific and others that are cross-cutting (see Attachments 10 and 11 for summaries of CSI projects). The true measure of CSI's success and/or failure will ultimately be judged by the extent to which these projects can be completed, recommended to, and adopted by EPA.

I. Positive Attributes of CSI

The six industry sectors have benefited from their participation in CSI in several ways. In particular, industry has benefited from the high priority Administrator Browner has given CSI. First, it has helped foster a wave of regulatory reform within the Agency. Most stakeholders generally agree that EPA needs to adopt a new approach towards protecting the environment. The proliferation of this reform mentality is to the benefit of industry in general. EPA's current regulatory approach (i.e., pollutant-by-pollutant, media-by-media), has created an overly complex, overlapping, and expensive system that does not always result in clean, cheap, or smart

regulations. Prior to CSI, such a systemic change was thought to be impossible. If nothing else, industry has and will continue to benefit from EPA's acknowledgement that the current regulatory system is flawed.

Second, and more importantly, CSI's priority status has provided the participating industries with a vehicle for elevating issues to the highest levels within EPA that has not been available to other industries. Each industry sector includes senior EPA officials, including an EPA assistant administrator and regional administrator, as well as state and local officials. Thus, industry representatives have been able to educate EPA and state decision makers about their specific industry and the regulatory burdens they face on a daily basis. Issues raised within the context of CSI do not have to struggle up through EPA's bureaucracy, but rather are brought directly to those with decision-making authority, including the Administrator. The same holds true on the state level.

An example of the benefits of this exposure is the success that the iron and steel industry had in elevating to the Iron and Steel Subcommittee the industry's position paper on the definition of solid waste under RCRA. The Innovative Technology Workgroup of the Iron and Steel Sector initiated a pilot project analyzing EPA's current definition of solid waste and how it impedes environmentally-sound recycling. As part of the project, the iron and steel industry developed and submitted a position paper setting forth the industry's position on the issue. Because the position paper was directly connected to CSI, it received high-level attention within EPA. This in turn led to outside discussions between EPA and the iron and steel industry on the issue. In fact, portions of the position paper were later included within an EPA proposed rulemaking concerning the definition of solid waste for the primary mineral processing industry.

Through this rulemaking EPA has specifically requested comments on the iron and steel industry position paper and has requested the industry to participate in the Agency's subsequent industry-wide definition of solid waste rulemaking. The iron and steel position paper would not have received as much attention had the industry not been associated with CSI. ^{4/}

On a more concrete level, the six industry sectors have successfully initiated 39 pilot projects that are due to be completed by the end of 1996. Specifically, the Metal Finishing Sector has 14 projects underway in some form, Iron and Steel has eight, Printing has seven, Automobile Manufacturing and Computers and Electronics Sectors both have initiated four, and the Petroleum Refining Subcommittee has approved two projects (see Attachments 10 and 11). Some of these issues are cross-cutting (e.g., streamlined reporting) and thus could benefit in general, regardless of which sector ultimately completes the project. All of these projects, if completed and adopted by the Administrator, could have a direct, positive impact on industry. Moreover, even if these projects are never completed or never lead to a CSIC recommendation, empirical data generated by these pilot projects may be useful to industry in future EPA policy analyses and/or rulemakings. Despite CSI's shortcomings, most of these projects would have never been initiated if it were not for CSI.

To a lesser extent, industry has also benefited from its exposure to the various citizen and environmental justice groups that are participating in CSI. Each sector is comprised of representatives from citizen action, environmental justice and labor groups, all of which have

4/ Although this progress grew out of the CSI process, it was not or will not be realized there. In fact, as evidence of the difficulty of the consensus-based requirement, the Subcommittee recently directed the Workgroup to discontinue its work on the issue because of opposition from the group's environmental stakeholders.

expressed an interest in particular industry sectors. Some sectors (e.g., Iron and Steel) have taken great strides to understand the positions of the various stakeholders and to work together in an attempt to reach consensus. Regardless of whether industry ultimately forges a working relationship within CSI, there is a benefit to understanding the mindset and positions of all stakeholders.

II. Negative Attributes of CSI

The biggest problem to date with CSI has been its inability to demonstrate that it is capable of making progress. The six industry sectors have been meeting on a monthly or bi-monthly basis since early 1995; however, to date the CSI process has not generated a single recommendation that has resulted in a “cleaner, cheaper, and smarter” method of environmental protection. Industry’s frustration with the process has been growing over the last few months. Industry, in addition to EPA and the other stakeholders, have devoted significant time and resources to CSI without any short-term return on its investment and without any guarantee that any of the issues currently being debated within CSI will ever be translated into national policy.

This lack of progress is due, of course, to the difficulty in achieving consensus on key actions. Given the fact that most stakeholders have different, if not diametric, agendas, consensus is very difficult to obtain in anything other than “win-win” situations. “Win-win” situations, however, seldom address issues of real concern. In order to be successful, EPA needs to change its focus on “consensus” so that issues with substantial approval can be adopted.

Another downside of CSI is the heightened scrutiny given to each of the six industry sectors. In exchange for their participation in CSI and the possibility of developing industry-specific regulations, the six industry sectors and many of their individual members have exposed

themselves to EPA and to environmentalists and environmental justice groups. Many facilities have volunteered to participate in pilot studies or have otherwise provided industry-specific data or access that may prove detrimental ultimately. Once information is made publicly available, it can then be used in EPA or citizen enforcement litigation or for other adverse purposes.

CHAPTER VII: CONCLUSIONS AND RECOMMENDATIONS

CHAPTER VII: CONCLUSIONS AND RECOMMENDATIONS

Based on the recommendations of the six sectors currently involved in the Common Sense Initiative and the systemic problems currently associated with the program, the shipbuilding and ship repair industry should not actively pursue with EPA the expansion of the CSI process at this time. Rather, the industry should continue to monitor the CSI process throughout 1996. At the conclusion of Phase I, the industry will be in a better position to assess further the potential pros and cons of participating in the multi-stakeholder process.

To the extent that the industry is interested in developing common sense approaches for regulating the shipbuilding and ship repair industry, there are several EPA initiatives that may be more appropriate than CSI, including:

I. Environmental Leadership Program ("ELP")

EPA's ELP project recognizes those facilities willing to develop innovative approaches to establishing accountability for compliance with existing environmental regulations. In return for participating, pilot participants receive public recognition and a limited grace period to correct any violations during the pilot project, provided the violations are not criminal or otherwise cause imminent danger to human health or the environment. EPA anticipates establishing a full-scale ELP in the near future. Information on this program can be obtained by contacting Tai-ming Chang, Director, ELP, at (202) 564-5081.

II. Project XL

Project XL offers facilities flexibility to implement innovative regulatory approaches in exchange for an enforceable commitment by a regulated entity to achieve better environmental results than would have been attained through full compliance with conventional regulatory

approaches. EPA is accepting applications on a rolling admission basis. Projects are selected based on the following criteria: (1) environmental results; (2) cost savings and paperwork reduction; (3) stakeholder support; (4) innovative/multi-media prevention; (5) transferability; (6) feasibility; (7) monitoring, reporting, and evaluation; and (8) the shifting of risk burden.

For more details on Project XL see Attachment 12.

LIST OF ATTACHMENTS

- Attachment 1: The Common Sense Initiative, A New General of Environmental Protection
- Attachment 2: Operating Principles of the U.S. Environmental Protection Agency Common Sense Initiative Council
- Attachment 3: Roster -- Common Sense Initiative Council,
Roster -- Auto Manufacturing Sector Subcommittee
Roster -- Computers and Electronics Sector Subcommittee
Roster -- Iron and Steel Sector Subcommittee
Roster -- Metal Finishing Sector Subcommittee
Roster -- Petroleum Refining Sector Subcommittee
Roster -- Printing Sector Subcommittee
- Attachment 4: Auto Manufacturing Sector -- Project Summary
- Attachment 5: The Common Sense Initiative Computers and Electronics Sector Subcommittee Update
- Attachment 6: Iron and Steel Sector Subcommittee -- Summary of Activities, Issues, and/or Key Messages
- Attachment 7: Metal Finishing Sector -- Progress is Being Made on a Range of Projects that Address Strategic Goals for the Industry
- Attachment 8: Petroleum Refining Subcommittee -- Summary of Activities, Issues, and/or Key Messages
- Attachment 9: Project/Activity Summary -- Printing Sector Subcommittee
- Attachment 10: Cross-cutting Issues of Interest to CSI Subcommittees
- Attachment 11: Overview of Common Sense Initiative Projects
- Attachment 12: XL -- Regulatory Reinvention Pilot Projects Fact Sheets



The Common Sense Initiative

A New Generation Of Environmental Protection

*We want to make good on what business and environmentalists have been telling us for two decades - that **we must look at whole facilities, whole industries, and their overall impact on the environment.** We must do a better job of cleaning up the environment and do it cheaper.*

-Carol M. Browner

The current system of environmental regulation is the most advanced in the world and has achieved a great deal over the past 25 years. Many of the grosser crises have been solved. Rivers no longer catch fire. Our skies are cleaner. Many toxic sites have been cleaned up. But everyone agrees the limits of the current system are near. Laws such as the Clean Water Act were appropriate first-line responses to disasters like the burning of the Cuyahoga River in the summer of 1969. However, the current U.S. regulatory system addresses air, water and land separately, frequently shifting and shuffling pollution without preventing it. As a result, U.S. businesses spent close to \$30 billion on environmental compliance in 1992, but still released over three billion pounds of toxic emissions. Today's less obvious, more complicated problems require a new approach to environmental protection.

The current approach has spawned two major obstacles to comprehensive environmental protection. First, innovation and common sense can be stifled by a system of environmental regulation that is too complicated and rigid. A typical small business, for instance, may be subject to as many as ten major environmental statutes that require dozens of reporting requirements without getting the best environmental results. Second, the complexity and rigidity of today's regulatory system often breeds conflict, gridlock, and an adversarial relationship between the concepts of a cleaner environment and a healthy economy. EPA operates under 16 major statutes and under the jurisdiction of over 70 Congressional committees and subcommittees. EPA is subject to over 600 lawsuits at any given time. The current process often diverts valuable resources from the real work of protecting the environment and public health.

WHAT IS THE COMMON SENSE INITIATIVE?

EPA Administrator Carol Browner's Common Sense Initiative (CSI) is a fundamentally different vision of environmental policy. Through this initiative, EPA has convened representatives from federal, state, and local governments, community-based and national environmental groups, environmental justice groups, labor, and industry to examine the full range of environmental requirements impacting six pilot industries. These six teams are looking for opportunities to change complicated and inconsistent environmental regulations into comprehensive strategies for environmental protection that all can agree to, with an emphasis on pollution prevention, instead of end-of-pipe solutions. The initiative reflects the Clinton Administration's commitment to setting strong environmental standards, while encouraging common sense, innovation, and flexibility in how they are met. The goal: a cleaner environment at less cost to taxpayers and industry.

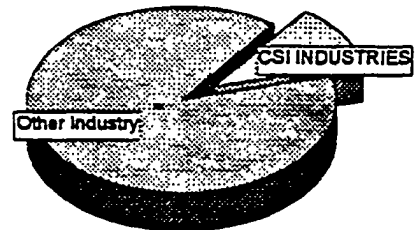
The six industries for the initial phase of the Common Sense Initiative are:

Automobile Manufacturing
Computers and Electronics
Iron and Steel

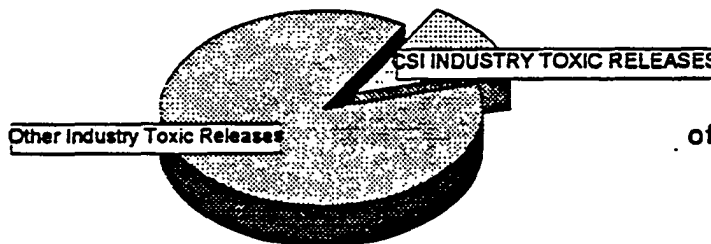
Metal Finishing
Petroleum Refining
Printing

These six industries form a sizeable piece of the American economy, comprising over 11% of the U.S. Gross Domestic Product...

U.S. Gross Domestic Product



...employing nearly 4 million people...



...and accounting for 12.4% of the toxic releases reported by all American industry in 1992.

HOW THE COMMON SENSE INITIATIVE WORKS

CSI operates under the Federal Advisory Committee Act (FACA), which specifies how federal agencies may seek advice from outside stakeholders. The Common Sense Initiative Council (CSIC) is the parent council, which coordinates the work of six subcommittees (one per industry sector). The Council and subcommittees have participants representing the stakeholder groups listed above. The Council is chaired by EPA Administrator Carol Browner and co-chaired by EPA Deputy Administrator Fred Hansen. Each of the six subcommittees is co-chaired by an EPA Assistant Administrator and a Regional Administrator. Each of the subcommittees has met and identified a number of issues and project areas for emphasis. Subcommittee workgroups have been established to analyze and make recommendations to the subcommittees on these issues.

COMMON SENSE INITIATIVE COUNCIL
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Automobile Manufacturing	Computers & Electronics	Iron and Steel	Metal Finishing	Petroleum Refining	Printing
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Each of the CSI subcommittees is working to find cleaner, cheaper, and smarter approaches to environmental protection that include, but are not limited to, the following six areas:

Regulation	Review regulations for opportunities to achieve greater environmental gains at less cost. Improve rules through increased coordination and consolidation.
Pollution Prevention	Actively promote pollution prevention as a standard business practice and a central ethic of environmental performance.
Reporting	Make it easier for industry to provide, and for the public to use, key information about facilities' environmental performance.
Compliance	Find innovative ways to assist companies that seek to obey and exceed legal requirements while consistently enforcing the law against those that do not.
Permitting	Encourage permitting that works more efficiently, encourages innovation, and creates broader opportunities for public participation.
Environmental Technology	Provide industry with incentives and flexibility to develop innovative technologies that meet and exceed environmental standards while cutting costs.

The participants are looking for solutions that are:

Focused on industries as a whole instead of one pollutant at a time.
Ensure that pollution is prevented and cleaned up, not shifted and shuffled.

Consensus-based rather than adversarial and entrenched.
Move beyond the current conflict, gridlock, and adversarial relationship between the concepts of a cleaner environment and a healthy economy.

Based on the concept of pollution prevention rather than end-of-pipe-only controls.
Ensure that producing less pollution from the outset, instead of cleaning it up afterwards, becomes a standard way of doing business.

Industry specific rather than one-size-fits-all.
Ensure that requirements fit the way different businesses work and achieve real results
For the environment.

Flexible means of achieving tough, but not rigid and stifling, environmental standards.
Ensure that innovation and common sense are encouraged in the search for cleaner business practices.

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OPERATING PRINCIPLES

OF THE

U.S. ENVIRONMENTAL PROTECTION AGENCY

COMMON SENSE INITIATIVE COUNCIL

I . NAME

The name of the committee is the Common Sense Initiative Council.

II . AUTHORITY

The Common Sense Initiative Council (hereinafter CSIC or Council) is established within the U.S. Environmental Protection Agency (EPA) under a charter approved pursuant to the Federal Advisory Committee (FACA) by the Administrator and by the Office of Management and Budget (OMB).

CSIC advises the Administrator of EPA consistent with its current approved charter and the requirements of the Federal Advisory Committee Act.

III. MISSION AND SCOPE

Established October 17, 1994, CSIC is EPA's national advisory committee for the formulation of recommendations and advice on the nation's pollution control and prevention programs relating to industrial sectors. CSIC brings affected stakeholders together to find cleaner, **cheaper, and smarter environmental management solutions.** **CSIC activities shall include but are** not limited to the following six programmatic areas: regulation, pollution prevention, recordkeeping and reporting, compliance and enforcement, permitting, and environmental technology.

CSIC operates with designated Industry Sector Subcommittees. Initially, six Sector Subcommittees are operative: auto manufacturing, computers and electronics, iron and steel, metal finishing, petroleum refining, and printing. The purpose of the industry-focused Council and Sector Subcommittees shall include holding meetings, analyzing issues, conducting reviews, performing studies and projects to develop recommendations for administrative, regulatory, and statutory changes, and other related activities.

IV.. MEMBERSHIP

Council and Subcommittee Members

CSIC members (Council and subcommittee members) shall consist of Independent experts selected from among national and local environmental interest groups, industry, state and local governments, and other stakeholders such as labor organizations, environmental Justice organizations, and the Federal government.

All CSIC members are appointed by the EPA Administrator for a term of one year. A member may be reappointed by the EPA Administrator for additional terms per EPA Committee Management policy. All non-Federal members are appointed as representatives of non-Federal interests.

Alternates

As the final CSIC decision-making body, the Council shall not seat alternates for the purpose of conducting business.

Sector Subcommittees may ^{seat} alternates (unless the Subcommittee's operating principles state otherwise) who have been approved by the appropriate Designated Federal Officer prior to a specified Subcommittee meeting. Approved Subcommittee alternates may participate in the activities of the Subcommittee, the formulation of draft recommendations, and consensus decision-making during the specified meeting.

Expert Witnesses and Consultants

Expert witnesses and consultants may, where necessary, provide specialized information or assistance to CSIC. Experts and consultants are not members of CSIC and may not participate in consensus decision-making. Expert witnesses and consultants may be invited by the Chair of the Council or Sector Subcommittees Co-chairs, in consultation with the appropriate Designated Federal Officer.

V. WORKING RELATIONSHIPS

The members of the Council, Sector Subcommittees, and workgroups shall work collaboratively and cooperatively toward the common goals of clean, cheaper, and smarter environmental protection. The members shall

- 1. Establish and maintain a relationship with the EPA Regional Office;
- 2. Advise and coordinate with the EPA Regional Office on matters which diverge from the EPA's position;
- 3. Speak to each other's interests regarding the environment and water quality alternative suggestions and to the extent of the EPA's position on the issues under discussion;
- 4. Work on a non-exclusive basis to develop and coordinate with the EPA Regional Office on matters which diverge from the EPA's position;
- 5. Work on a non-exclusive basis to develop and coordinate with the EPA Regional Office on matters which diverge from the EPA's position;

VI. CSIC ORGANIZATION

The CSIC structure shall consist of Council and designated Sector Subcommittees. Each Sector Subcommittee shall have EPA Co-chairs appointed by the Administrator. The Council and each Sector Subcommittee shall have a Designated Federal Officer who is responsible for the administration of the committee. The number, designation, mission, scope and membership of Sector Subcommittees at any time shall be subject to the approval of the Administrator in consultation with the Co-chairs.

Other groups formed under CSIC auspices (e.g., workgroups, focus groups, project teams, etc.) may be formed upon Council or Subcommittee member consensus with agreement of the appropriate CSIC Designated Federal Officer(s).

VII. MEETINGS

The Council and Sector Subcommittees shall operate in accordance with all requirements of FACA. Such requirements include but are not limited to: publishing notice of meetings in the Federal Register, holding open meetings, and taking and distributing minutes of the meetings. Open meetings shall include reasonable opportunity for public comment.

The Council shall meet approximately 4 times per year. Sector Subcommittees or other groups formed under CSIC auspices shall meet as needed at the call of the appropriate (Co-chairs and a Designated Federal officer. No meetings of the Council or Sector Subcommittees shall be held without the presence of a Designated Federal Officer or his/her designee.

VIII. QUORUM AND CONSENSUS

The presence of fifty-one percent of Council or Sector Subcommittee members attending a meeting shall constitute a quorum for consensus decision-making.

The Council and the Sector Subcommittees shall operate by consensus decision-making. Consensus shall be considered reached when all participating members can accept or support a particular position, even though the position may not be their first choice. Should consensus not be reached, the Chair or Co-chair shall make a determination on transmitting to **EPA individual member views**, working further to reach consensus, or tabling the issue.

IX. REPORTS AND RECOMMENDATIONS

Advice and recommendations to the Federal government developed by the Sector Subcommittees shall be presented to the Council, which in turn shall deliberate and provide advice to the Administrator. Sector Subcommittees or other work groups may not provide advice and recommendations directly to EPA or the Administrator.

Following consensus decision-making, Sector Subcommittees may bring recommended policy and program changes forward to the Council for review and approval at any time. Such recommendations shall be provided in draft form and distributed to all Council members for review for a minimum of 30 calendar days. This provision may be waived in circumstances where an immediate response based on need, planning or budget cycles, Congressional deadlines, regulatory requirements, or other exceptional circumstances exists. Waiver of time for Council review may be determined by the Council Chair and Designated Federal Officer in consultation with the proposing Sector Co-chairs and Designated Federal Officer,

A Council meeting and final action on a proposed recommendation or draft report shall be completed within a maximum of 90 calendar days from the date of submission for review. This provision may be waived as described above. The Council Chair shall transmit an approved CSIC report or recommendation(s) directly to the EPA following final action by the Council.

CSIC reports and recommendations shall be made available to the public in accordance with the FACA, section 10 (b) and subject to the Freedom of Information Act. Requests for information should be made to the U.S. Environmental Protection Agency, Common Sense Initiative Program Staff Office, 401 M Street S.W., Mail 6101, Washington, D.C. 20460.

X. ADDENDUMS AND AMENDMENTS TO THE OPERATING PRINCIPLES

Subject to approval by EPA, the Operating Principles of CSIC may be added to, amended, *or repealed in whole* or in part by consensus action of the Council members at any regular meeting. The Sector Subcommittee may formulate addendums to these operating principles that are specific to their respective mission and purpose; Sector Subcommittee addendums are

subject to approval by consensus of the respective subcommittee and the appropriate EPA officials.

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TBD - A newspaper

^AUTO MANUFACTURING SECTOR - PROJECT SUMMARY

Sector Subcommittee: Auto Manufacturing Sector Subcommittee
Workgroup Name and Project Title: Alternative Sector Regulatory System/Community Technical Assistance Project
Workgroup Chair: Ellen Shapiro, AAMA

Project Objective:

(1) Design an alternate, simple, flexible and efficient environmental protection system for the auto sector with broad applicability to the range of assembly plants. This system will encourage pollution prevention will provide superior environmental gains at lower cost and will provide more informed collaborative and constructive relationships with the community than the existing regulatory system. (2) Design model programs that include technical assistance and other means to strategically help local Communities and plants relate to each other in positive ways and to help define the community's role in an alternative regulatory framework (3) Produce recommendations to the EPA Administrator based on these efforts, that will result in cleaner, cheaper, smarter environmental protection.

Brief Project Description:

This project will develop an alternative sector regulatory system (ASRS) with a strong community component by determining and defining the necessary and sufficient elements of such a system. The ASRS also may include optional components to be negotiated on a case-by-case basis. The design will key to the actual circumstances and characteristics found at and around auto assembly plants. The community component of the alternate system will be developed by examining existing models for enhanced community participation and outreach characterizing the communities found near auto assembly plants and designing appropriate models for improving community-plant interactions, including technical assistance. The team intends to test the models in selected communities. The results of that test should help to improve the design of the ASRS. The team also will examine practical implementation and other issues that may affect the proposal's success.

Location and Facility Name of any Site Demonstration: NA

Specific "Cleaner, Cheaper, Smarter" Goals of Project:

To improve the framework under which auto assembly plants work to protect the environment and relate to their communities.

Status of Project: New work plan based on two previously approved work plans, developed and awaiting approval by Subcommittee. Project underway.

Expected Timeline for Completing Project and Developing Draft Recommendations:

Project Team expects this project to continue into 1997, with intermediate milestones and achievements occurring as soon as the end of 1995.

Issues for Council Consideration: Consider the ramifications of the notion that alternative regulatory systems must be based on changed relationships among stakeholders.

SECTOR SUBCOMMITTEE PROJECT SUMMARY

Sector Subcommittee Name: Auto Manufacturing Sector
Workgroup Name: Regulatory Initiatives Project Team
Project Title: Regulatory Initiative Project
Workgroup Chair: Rick Johns

Statement of Project Objective:

To explore auto specific concerns with the Title V Operating Permit Program, the New source Review Program and Section 112 of the Clean Air Act and to develop recommendations for improvements which will reduce the burden and cost of these programs while improving or maintaining environmental protection.

Brief Description of Project

The Regulatory Initiative Project involves an identification of concerns with existing regulations related to the Title V Operating Permit program the New Source Review program and Section 112 of the Clean Air Act Following identification of the issues of concern the Project Team will identify those issues of concern which are not being adequately addressed by the federal new source review reform package or the supplementary rules package for Title V. From the remaining issues, the Project Team will prioritize the issues and develop a time schedule for further exploring the problem, identifying alternative solutions, evaluating the alternative solutions and identifying a recommended approach for addressing the issue of concern These recommendations will be brought forward to the Auto Sector Subcommittee.

Location and Facility Name of any Site Demonstration: NA

Specific "Cleaner, Cheaper, Smarter" Goals of Project

The recommended solutions will be directed towards reducing unnecessary burdens, time delays or costs associated with the particular program while promoting more effective, efficient environmentally protective regulatory requirements.

Status of Project :

A list of issues of concern for both the Title V Operating Permit Program and the New Source Review Program has been developed. The Project Team has identified the two highest priority issues of concern and has begun exploring these problems and identifying alternative solutions.

Expected Timeline for Completing Project and Developing Draft Recommendations:

Because the Project Teams is addressing issues of concern on a basis, it is anticipated that individual draft recommendations will be developed on a continuing basis through July 1996. It is anticipated the first specific recommendation will be available following the Project Teams' scheduled November 30, 1995, meeting.

Issues for Council Consideration:

Urge Council and other CSI sectors to endorse and promote implementation of title V White Paper.

AUTO MANUFACTURING SECTOR - PROJECT SUMMARY

Sector Subcommittee: Auto Manufacturing Sector
Workgroup Name/Project Title: Life-Cycle Management/Supplier Partnership Project
Workgroup Chair: Charles Griffith, Ecology Center of Ann Arbor

Project Objective:

To develop principles and strategies for the application of Life-Cycle Management in automobile manufacturing, and to demonstrate those principles and strategies through manufacturer/supplier partnerships.

Description of Project:

Over twenty years of environmental regulations have focused on controlling the pollution outputs from each individual facility within a product system without regard to linkages to other stages of the product life-cycle (raw materials extraction materials processing manufacturing, distribution% use, disposal). A more integrated approach that focuses on the design of the product system and the technologies used within it promises the most efficient and effective way to prevent pollution

Life Cycle Management (LCM) is the cooperative effort by the actors in different stages of the life-cycle of a product to redesign product systems to reduce their overall environmental impacts. Life-Cycle Management relies upon assessment tools, such as Life-Cycle Assessment (LCA); management systems; and cooperative relationships among actors in different life-cycle stages, called Life-Cycle Partnerships. The Automobile Manufacturing Sector is in a good position to reduce the overall environmental impacts of automobile manufacturing by engaging in Life-Cycle Management with its suppliers.

Location and Facility Name of any Site Demonstration: NA

Specific "Cleaner, Cheaper, Smarter" goals of Project

More efficient methods of reducing pollution through the product life-cycle.

Status of Project.

(5) project Underway - development of LCM principles and strategies and establishment of manufacturer/supplier partnership now in process.

Expected Timeline for Completing Project and Developing Draft Recommendations:

Interim report on project expectedly December 1995. Final report: December 1996.

Issues for Council Consideration : None at this time.

THE COMMON SENSE INITIATIVE
COMPUTERS AND ELECTRONICS SECTOR
SUBCOMMITTEE UPDATE

I. SUBCOMMITTEE GOAL

Each of the Common Sense Initiative (CSI) subcommittees has been charged to find cleaner, cheaper, and smarter approaches to environmental protection that include, but are not limited to, the areas of regulation, pollution prevention, reporting, compliance, permitting, and environmental technology. The Computer and Electronics Sector Subcommittee has established the following goals consistent with this charge:

- Eliminate regulatory barriers to and provide incentives for recycling, pollution prevention, and product stewardship.
- Improve reporting and compliance activities, and make information more accessible to the public.
- Improve environmental quality for ecosystems, communities, and workers.

II. PROBLEM IDENTIFICATION

In preparation for the first subcommittee meeting in March 1995, different stakeholders identified problems or issues with the existing environmental regulatory framework. In the March and April subcommittee meetings, these problems and issues were discussed, clarified, and grouped into the following four categories:

1. Pollution Prevention Innovative Technology, and Recycling
2. Permitting/Regulations
3. Reporting and Compliance
4. Community and Worker Environment and *public* Health

During these discussions, subcommittee members were able to get a sense of the perspective of different stakeholders on each issue and a sense of the priority of different. Rather than go through a formal issues process as a full subcommittee, three workgroups were established to further narrow issues in three priority areas. The workgroups are: Reporting and Public Access to Information Barriers to Pollution Prevention and Product Stewardship; and Integrated & Sustainable Alternative Strategies for Electronics.

PROJECT / ACTIVITY SUMMARY

Sector Subcommittee Name Computers and Electronics
Workgroup Name: Integrated and Sustainable Alternative Strategies
Workgroup Chairs: Christopher Rhodes, IPC and NGO representative to be named
Project/Activity Title: Development of "Track 2" performance based alternative system of environmental regulation

Statement of Project or Activity/Objective: Develop an alternative regulatory system that increases regulatory flexibility; results in enhanced environmental, health and safety performance; and increases engagement of and accountability to communities and workers.

Brief Description of Project or Activity: Define a Track 2 performance based system of environmental regulation that provides an alternative to the existing command and control approach through the following mechanisms:

- Define the elements that constitute **"Track 2"** system of environmental performance
- Examine other country's alternative approaches and alternative approaches being **Piloted by Other EPA, state, and local initiatives**
- Use the results of pilot projects to test and evaluate different components of a Track 2 system

Location and Facility Name of any Site Demonstration: NA

Specific "Cleaner,Cheaper, Smarter" Goals of Project/Activity: The Workgroup has set a goal of developing a system that is cheaper due to increased regulatory flexibility, is cleaner because of improved performance in meeting environmental and health goals, and is smarter because of enhanced involvement of communities, workers and other key Stakeholders.

Status of Project/Activity-(1) Subcommittee Approval of Project Concept; (2) Workplan Being Developed; (3) Subcommittee Approved Workplan; (4) Project Underway; or(5) Project Close to Completion; (6) Recommendation for Council Consideration 1

Expected Timeline for Completing and Developing Draft Recommendations: NA

Issues for Council Consideration: Awareness of interconnections between this project and similar projects in other CSI Sectors. This project includes community involvement

PROJECT / ACTIVITY SUMMARY

Sector Subcommittee Name: Computers and Electronics
Workgroup Name: Integrated and Sustainable Alternative Strategies
workgroup Chairs: Christopher Rhodes, IPC and NGO representative to be named
Project/Activity Title: "Track 2" Pilot Projects

Statement of Project or Activity/Objective Determine the viability of different components of a future "Track 2" system of environmental regulation through pilot projects.

Brief Description of Project or Activity: Determine the components of a future Track 2 system of environmental regulation that need further testing and solicit proposals from industry, communities, and workers to perform a pilot test of these components.

Specific "Cleaner, Cheaper, Smarter " **Goals of Project/Activity:** The goal of this project is to test potential elements of "track 2." The elements will be tested for their ability to make the regulatory system cheaper by improving regulatory flexibility, cleaner by improving performance in meeting environmental and health goals and smarter by enhancing involvement of communities, workers and other key stakeholders.

Status of Project/Activity-(1) Subcommittee Approval of Project Concept; (2) Workplan Being Developed; (3) Subcommittee Approved Workplan; (4) Project Underway; or(5) Project Close to Completion; (6) Recommendation for Council Consideration 1

Expected Timeline for Completing and Developing Draft Recommendations: NA

Issues for Council Consideration: Awareness of interconnections between this project and similar projects in other CSI Sectors. This project includes community involvement.

PROJECT / ACTIVITY SUMMARY

Sector Subcommittee Name: Computers and Electronics
Workgroup Name: Reporting and Public Access to Information
Workgroup Chair: None
Project/Activity Title: Development of the Combined Uniform Report for the Environment

Statement of Project or Activity Objective: The goal is to design and test the Combined Uniform Report for the Environment (CURE) reporting system. This reinvented approach to reporting would be based on a fresh, bold look at information needs to assure that the information collected is truly useful and W on the needs of the multi-stakeholder group. Additionally, the CURE will provide streamlined and consolidated reporting while providing electronic reporting and increased public access to the information.

Brief Description of Project or Activity: The overall CURE project has three major components. They include

1. A core set of data requirements will be defined which represent a complete set of environmental information based on a consensus of what stakeholders view as critical. This report CURE 1.0, will be accessible to the public in a variety of ways (electronic, hard-copy, etc.) based upon an analysis of stakeholder needs.
2. consensus recommendations on how to change existing reporting requirements to make CURE 1.0 more feasible and desirable.
3. The design and development of an electronic data management system This will allow for the electronic entry of data elements into the CURE directly from tools such as laboratory report forms. Additionally, the system will allow for on-line reporting of the data to government agencies and will allow for greater public access to the information

Location and Facility Name of any Site Demonstration: None yet selected

Specific "Cleaner, Cheaper, Smarter" Goals of Project/Activity :

The project will provide cleaner results by allowing government and the public to have a consolidated multimedia view of the environmental status of an individual facility. This increased ability to Understand the environmental conditions at a specific plant will promote targeted pollution prevention efforts. The project will also be cheaper and smarter as duplication, overlap and elimination of unnecessary data elements are addressed

Status of Project/Activity-(1) Subcommittee Approval of Project Concept (2) Workplan Being Developed; (3) Subcommittee Approved Workplan; (4) Project Underway; or (5) Project Close to Completion: (6) Recommendation for Council Consideration: 2

Expected Timeline for Completing and Developing Draft Recommendations: 10/96

Issues for Council Consideration: Awareness of interconnections between this project and similar projects in other CSI Sectors.

PROJECT/ACTIVITY SUMMARY

Sector Subcommittee Name: Computers and Electronics
Workgroup Name: overcoming Barriers to Pollution Prevention Product Stewardship, and Recycling
Workgroup Chair: Rick Reibstein, Massachusetts OTA
Project/Activity Title: Solving the "Obscure Policy" Problem

Statement of Project or Activity Objective: To ensure that all interested stakeholders have ready access to agency regulatory interpretations and determinations.

Brief Description of Project or Activity The workgroup developed the following recommendation

The Common Sense Initiative Computers and Electronics Sector Subcommittee recommends that the EPA Administrator establish a process to ensure that EPA regulatory interpretations and/or determinations intended to or likely to affect the environmental management practices of the regulated community be compiled, made easily accessible, and publicized as appropriate to interested stakeholders.

EPA shall submit a draft workplan for implementing this recommendation to the Common Sense Initiative Council by March 1, 1996.

Location and Facility Name of Any Site Demonstration: NA

Specific "Cleaner, Cheaper, Smarter Goals of Project/Activity

Cleaner: By ensuring that policies aimed at protecting the environment are known, they can be implemented effectively. If they are obscure, they are ineffective.

Cheaper: Especially for community groups, small businesses, and local environmental and environmental justice organizations, easy access to information will reduce the need to tap their own resources to keep abreast of EPA policy. In addition in some cases firms may be following unnecessarily costly procedures simply because they are unaware of current EPA policy.

Smarter: If EPA policies are not known, they cannot be subjected to constructive outside scrutiny and are likely to be weaker as a result. In addition efforts by state/local agencies to be consistent with EPA cannot succeed unless those agencies have timely access to EPA regulatory interpretations and determinations.

Status of Project/Activity-(1) Subcommittee Approval of Project Concept; (2) Workplan Being Developed; (3) Subcommittee Approved workplan (4) Project Underway, or (5) Project Close to Completion; (6) Recommendation for Council Consideration 6

Expected Timeline for Completing and Developing Draft Recommendations: Completed

Issues for Council Consideration: NA

PROJECT/ACTIVITY SUMMARY

Sector Subcommittee Name: Computers and Electronics
Workgroup Name: Overcoming Barriers to Pollution Prevention Product Stewardship, and Recycling
Workgroup Chair: Rick Reibstein, Massachusetts OTA
Project/Activity Title: Developing a System for Managing Consumer End-of-Life Electronic Equipment

Statement of Project or Activity Objective: To begin the process of building an effective national system for managing end-of-life consumer electronic equipment

Brief Description of Project or Activity: To date, the workgroup has gathered information about existing or planned programs--state, local, and international--for managing end-of-life equipment, as well as about existing corporate programs for managing nonconsumer equipment. The group is also developing a preliminary list of what it believes would be characteristics of an ideal system for managing end-of-life consumer electronic equipment, as well as a list of existing barriers to implementing such a system. The group is considering drafting a written "vision statement" in the form of an article, whose purpose would be to solicit comments and ideas and thus begin a national dialogue on this emerging issue. As the group focuses more closely on key barriers and issues, it may either initiate a demonstration project or link up with an existing state or local project. Before actively initiating or joining a project the group will first complete its assessment of which barrier(s) it might effectively address through a project

Location and Facility Name of Any Site Demonstration: NA

Specific "Cleaner, Cheaper, Smarter" Goals of Project/Activity

Cleaner: To lay the groundwork for developing a safe, environmentally conscious system for managing the rapidly growing quantities of discarded consumer electronic equipments.

Cheaper To consider the economic barriers or incentives to developing a system **for managing end-of-life Consumer electronic equipment**

Smarter: To investigate the potential for developing a system that is both environmentally and economically sound

Status of Project/Activity-(1) Subcommittee Approval of Project Concept; (2) Workplan Being Developed; (3) Subcommittee Approved Workplan; (4) Project Underway; or (5) Project Close to Completion; (6) Recommendation for Council Consideration 1

Expected Timeline for Completing and Developing Draft Recommendation: NA

Issues for Council Consideration: NA

PROJECT/ACTIVITY SUMMARY

Sector Subcommittee Name: Computers and Electronics
Workgroup Name: Overcoming Barriers to Pollution Prevention Product Stewardship, and Recycling
Workgroup Chair: Rick Reibstein Massachusetts OTA
Project/Activity Title: Overcoming Barriers to Pollution Prevention and Recycling in the Manufacturing Process

Statement of Project or Activity Objective: To encourage and increase pollution prevention and recycling in the computers and electronics manufacturing process by developing recommendations to remove identified barriers to those activities.

Brief Description of Project or Activity: The workgroup is identifying and analyzing barriers to pollution prevention and recycling in the manufacture of computers and other electronic equipment. Members have initiated several case studies including an examination of the applicability of RCRA exemptions and exclusions to zero-discharge water recycling systems. After the case studies have been completed and barriers that appear to hold promise for further work are identified the workgroup will either (1) develop policy recommendations to address particular barriers or (2) if necessary and appropriate, first undertake a project or projects to test new approaches to addressing the issues identified.

Location and Facility Name of Any Site Demonstration: NA.

Specific "Cleaner, Cheaper, Smarter" Goals of Project/Activity

Cleaner To promote pollution prevention and recycling in the manufacturing process by removing regulatory or statutory barriers that prevent or inhibit those activities.

Cheaper: To encourage manufacturers to undertake pollution prevention and recycling activities that not only protect the environment but that may also result in cost savings.

Status of Project/Activity-(1) Subcommittee Approval of Project Concept; (2) Workplan Being Developed; (3) Subcommittee Approved workplan; (4) Project Underway; or (5) Project Close to Completion; (6) Recommendation for Council Consideration 1.

Expected Timeline for Completing and Developing Draft Recommendations: NA.

Issues for Council Consideration: NA

EMERGING PROJECTS/ACTITIES
COMPUTERS AND ELECTRONICS SECTOR SUBCOMMITTEE

The CSI-CES FACA Subcommittee is intentionally cautious in expanding the number of projects that the group undertakes. There is a strong concern that the resources of all Stakeholders are not sufficient to cover more than the three workgroups that are now approved. However, the Reporting and Information Access Workgroup has discussed the following:

- o The workgroup has discussed the President's Pollution Disclosure Executive Order, which directs EPA to expand reporting requirements to collect information on chemical use as well as releases to the environments. Release information is currently reported under the Toxics Release Inventory (TRI). This directive could become the focus of further workgroup activity.

IRON AND STEEL SECTOR SUBCOMMITTEE

SUMMARY OF ACTIVITIES, ISSUES, AND/OR KEY MESSAGES

The Iron and Steel Sector Subcommittee has been quite active since its formal creation in January 1995, meeting nearly monthly, involving numerous people and organizations in its deliberations, and now beginning to implement seven project workplans approved by the Subcommittee. These projects are:

- Brownfields: creating and testing a process to redevelop an iron and steel brownfields site.
- Multi-media Permitting: designing a multi-media permit process (covering air, water, and waste) for the minimill segment of the industry.
- Permit issues: developing recommendations on permit issues
- Alternative Compliance Strategy considering an alternative compliance strategy which would allow permittees to propose new or increased controls in one area in exchange for modifications in requirements elsewhere.
- Consolidated Multi-media Reporting designing an integrated electronic system for iron and steel facilities to use in reporting routine information
- Bulletin Board System: developing an electronic bulletin board system to provide industry, regulators and the public with information on innovative iron and steel technologies and on the iron and steel industry.
- Barriers: developing a process to identify and help resolve barriers to the adoption of innovative technology

The Subcommittee created four workgroups during its first FACA meeting: Brownfields, Compliance, Innovative Technology, and Permits Process. The workgroups have 15-18 members and commonly have additional people attending and participating in workgroup sessions as observers. Most of the Subcommittee and workgroup time has been spent in identifying potential issues of interest winnowing down the list to a manageable number, and developing and discussing project concepts and workplans. Several of the ideas under consideration have been quite contentious, nevertheless workgroups and the Subcommittee have persisted and have been able to agree on frameworks for exploring some different approaches such as multi-media permitting and alternative compliance means.

Subcommittee and workgroup members have identified a need to promote a better understanding of the industry, of the regulatory environment in which the industry function, and of different stakeholder interests. To understand the industry better, Subcommittee members have arranged for tours of two integrated mills (U.S. Steel's Gary Works and LTV's Cleveland Plant) and one mini mill (NUCOR's Hickman AK Plant). A Workgroup member arranged for a tour of a local Brownfields area for the Brownfields Workgroup. EPA has provided written information on the industry, including TRI data, a report describing the industry, and a draft profile prepared by the Office of Enforcement and Compliance Assurance. During the September meeting, a Subcommittee member gave an overview of minimills, how they work and compliance problems from their perspective. The integrated plants will present its Perspective in December.

Additionally, the Subcommittee has decided to devote each of its meetings to learning more about one specific iron and steel related topic. In August the Subcommittee sponsored a multi-stakeholder panel discussion to learn more about the definition of solid waste and hear different perspectives on why changes to it may or may not promote “cheaper, cleaner and smarter” activities. In September, EPA presented its perspective of the industry’s compliance status. In October, the Subcommittee plans to have a session on public participation and in December on the Subcommittee is planning a session on pollution prevention possibilities. Additionally, EPA developed and distributed a profile of the industry, briefed the Subcommittee on the effluent guideline process, and briefed the Subcommittee on the Agency Brownfield Initiative.

Future meetings will be devoted to continued implementation and oversight of approved projects, developing new projects as time and resources permit, and holding additional “seminars.”

PROJECT SUMMARY- IRON AND STEEL SECTOR SUBCOMMITTEE

Sector Subcommittee Name: Iron & Steel
Workgroup Name: Brownfields
Workgroup Co-chairs: Joyce Kelly, John Kuhns,
Augustine Moffitt Jr., Mike O'Connor
Project Title Brownfields Demonstration Project

Statement of Project Objective:

Develop a process that can be used to redevelop iron and steel brownfields sites.

Brief Description of Project

Brownfield redevelopment of iron and steel properties is being slowed down or dismissed because of a number of environmental and economic issues. In many cases this has led to an apparent preference for the development of previously undeveloped "Greenfield" properties instead of properties which were formally industrial. This project will attempt to develop, with EPA States landowners, lenders, developers, community residents, and local governments a process to enhance the potential of reusing former iron and steel properties.

The project includes three major activities: designing a model Redevelopment Authority, developing a pilot redevelopment process; and identifying and initiating one or more pilot projects.

Location and Facility Name of any Site Demonstration

Northwest Indiana; Birmingham AL (proposed)

Specific "Cleaner, Cheaper, Smarter" Goals of Project

Cleaner - contamination at brownfields site will be addressed

Cheaper - project will attempt to use the model Redevelopment Authority as a cheaper and faster way to redevelop a brownfields site

Smarter - project will devise a "smarter" process by developing a new "Model Redevelopment Authority" model, by attempting to solve some of the long-term liability problems that impede the redevelopment of iron and steel brownfield sites and by including the community

Status of Project/Activity-(1) Subcommittee Approval of Project Concept (2) Workplan Being Developed;(3) Subcommittee Approved Workplan; (4) Project Underway; (5) Project Close to Completion; or (6) Recommendation for Council Consideration: 4

Expected Timeline for Completing Project and Developing Draft Recommendations:

Selection of demonstration site September, 1995

Completion of NW Indiana Proposal: November, 1995 (Future dates to be determined)

Issues for Council Consideration: None at this time.

PROJECT SUMMARY – IRON AND STEEL SECTOR SUBCOMMITTEE

Sector Subcommittee Name: Iron & Steel
Workgroup Name: Compliance
Workgroup Co-chairs: Cecil Lue-Hing, Marie Kocoshis, William West
Project Title: Alternative Compliance Strategy

Statement of Project Objective:

To determine whether a system allowing permittees to propose new or increased controls on some sources in exchange for modifications in requirements on other nearby sources can be designed so that the alternative system would be more environmentally protective than the existing one.

Brief Description of Project:

This project will evaluate fugitive particulate emissions from a basic oxygen furnace and explore whether changes in the application of the federal emission standard could be more than offset by voluntary new or additional controls on other proximate sources of that pollutant to the same medium.

Location and Facility Name of any Site Demonstration: Not identified at this time

Specific "Cleaner, Cheaper, Smarter" Goals of Project:

Cleaner - Reductions from other sources would exceed those achieved by the original source

Cheaper - The project would achieve cheaper compliance by identifying pollution reductions that are less expensive to achieve than those from the original sources.

Smarter - Since the alternative compliance goals would be easier for industry to meet, this project would demonstrate smarter ways to protect the environment.

Status of Project/Activity—(1) Subcommittee Approval of Project Concept; (2) Workplan Being Developed; (3) Subcommittee Approved Workplan; (4) Project Underway; (5) Project Close to Completion; or (6) Recommendation for Council Consideration: 3

Expected Timeline for Completing Project and Developing Draft Recommendations:

Phase I - Gather and analyze data on industry's inability to meet existing air standards Start 9/95; finish 12/95

Phase II - At pilot site, analyze cause of compliance problems and identify alternative sources of emissions to control in lieu of those standards the facility is unable to meet Start 12/95; finish 7/96

Issues for Council Consideration: None at this time.

PROJECT SUMMARY -- IRON AND STEEL SECTOR SUBCOMMITTEE

Sector Subcommittee Name: Iron & Steel
Workgroup Name: Compliance
Workgroup Co-chairs: Cecil Lue-Hing, Marie Kocoshis, William West
Project Title: Consolidated, Multi-Media Reports

Statement of Project Objective:

To consolidate a number of required environmental reports into one annual, electronically-transmitted report.

Brief Description of Project:

Compliance with present regulations has resulted in a multiplicity of reports. Many of these contain similar information are submitted to various local, state and federal agencies. This project will identify information that can be consolidated into an annual submission that will be transmitted electronically to federal, state, and local regulators by permittees.

Location and Facility Name of any Site Demonstration:

The demonstration project will involve CFI Steel in Colorado, Nucor Steel in Utah, Geneva Steel in Utah, the states of Colorado and Utah, and EPA Region 8 (Denver).

Specific "Cleaner, Cheaper, Smarter" Goals of Project:

Cleaner - Citizen and community groups will ultimately have better access to data that have been reported; they could use this to work with a facility to address pollution problems.

Cheaper - Consolidating multiple reports into a single one will lessen manpower needed to prepare these reports.

Smarter - Transmitting reports electronically will be more efficient than the current paper/mail system.

Status of Project/Activity--(1) Subcommittee Approval of Project Concept; (2) Workplan Being Developed; (3) Subcommittee Approved Workplan; (4) Project Underway; (5) Project Close to Completion; or (6) Recommendation for Council Consideration: 4

Expected Timeline for Completing Project and Developing Draft Recommendations:

Initiate discussions with federal, state officials, and industry involved in demonstration site: September, 1995

Demonstration Project completed: June, 1996

Recommendations to Subcommittee: July, 1996

Recommendations to Council: August, 1996

Issues for Council Consideration: None at this time.

PROJECT SUMMARY IRON AND STEEL SECTOR SUBCOMMITTEE

Sector Subcommittee Name: Iron & Steel
Workgroup Name: Innovative Technology
Workgroup C - Craig Butler, Leonard Wisniewski
Project Title: Electronic Bulletin Board System

Statement of Project Objective:

To develop an electronic Bulletin Board System (BBS) that U.S. EPA state regulatory agencies, environmental and environmental justice organizations, and industry can access for timely and relevant information relating to the Iron and Steel industry.

Brief Description of Project:

The work group will implement a "market survey" to identify the utility of a BBS dedicated to the iron and steel industry. Based on the results of this survey, the project will try to create a "one-stop-shopping environment for all parties interested in innovative technology and other environmental issues affecting the iron and steel industry. Such a bulletin board should improve the timeliness of locating innovative technology information when it is needed

Location and Facility Name of any Site Demonstration

A survey is being developed for the Alternative Treatment Technology Information Center (ATTIC) BBS and potential BBS users. No BBS site has been identified at this time.

Specific "Cleaner, Cheaper, Smarter" Goals of Project:

Cleaner - Information on environmental technologies case studies regulatory requirements, and pollution prevention will be available on the bulletin board. This information could expedite the implementation of cleaner technologies in the industry.

Cheaper- Having quickly accessible, centrally located information can be cheaper than traditional information gathering methods. Additionally, many innovative technologies are cleaner and cheaper than traditionally technology

Smarter- Making innovative technology information available will assist industry and regulators in identifying "smarter" ways of doing things. Additionally, the BBS will allow information searches that can be completed quickly and cheaply.

Status of Project/Activity-(1) Subcommittee Approval of Project Concept (2) Workplan Being Developed;(3) Subcommittee Approved Workplan (4) Project Underway (5) Project Close to Completion; or (6) Recommendation for Council Consideration: 4

Expected Timeline for Completing Project and Developing Draft Recommendations:

Survey completed and data analyzed: December 1995

Recommendation to Subcommittee: January 1996

Issues for Council Consideration: None at this time.

PROJECT SUMMARY - IRON AND STEEL SECTOR SUBCOMMITTEE

Sector Subcommittee Name: Iron & Steel
Workgroup Name: Innovative Technology
Workgroup Co-chairs: Craig Butler, Leonard Wisniewski
Project Title Identification of Barriers to the Use of Innovative Technology

Statement of Project Objective:

To develop a process EPA can use expeditiously on an ongoing basis to remove or create incentives to overcome barriers to the use of innovative technology that would be cleaner, cheaper and smarter.

Brief Description of Project:

This project is to develop a process to help EPA in decision-making by identifying points of consensus and disagreement among stakeholders, identifying possible options for dealing with them and narrowing the issues that EPA must resolve. A first case study is using an industry proposal for a conditional exclusion in the current definition of solid waste which the industry believes inhibits beneficial recycling and other innovative technological approaches. The process is to identify an issue, circulate ideas among interest groups (in the first case, an industry proposal), compare responses, identify and explore alternative approaches for reconciling them, and identify attributes that EPA should consider (in the first case, attributes that a conditional exemption should have prior to EPA approval).

Location and Facility Name of any Site Demonstration: No site demonstrations called for.

Specific “cleaner, Cheaper, Smarter” Goals of Project

cleaner - The work group will look for innovative technology barriers that, when eliminated, will lead to use of new technologies, processes, and increased recyclable materials which in turn will reduce the amount of hazardous and non-hazardous Wastes that currently are being generated and must be disposed of.

Cheaper - The use of innovative technologies and recycling processes and of recyclable material as feedstocks for other valuable products will reduce operating costs and generate new income.

Smarter - EPA’s use of a process to respond expeditiously to identified barriers is a smarter approach to new developments in the iron and steel industry. Use of innovative technologies would save resources and encourage beneficial and environmentally-sound recycling.

Status of Project/Activity-(1) Subcommittee Approval of project concept; (2) Workplan Being Developed; (3) Subcommittee Approved Workplan; (4) Project Underway; (5) Project close to Completion; or (6) Recommendation for Council Consideration: 4

Expected Timeline for Completing Project and Developing Draft Recommendations:

Tentative recommendations to Subcommittee December, 1995

Final recommendations in early 1996

Issues for Council Consideration: None at this time.

PROJECT SUMMARY - IRON AND STEEL SECTOR SUBCOMMITTEE

<u>Sector subcommittee</u> Name:	Iron & Steel
Workgroup Name:	Permitting
<u>Workgroup Co-chairs:</u>	Mike Gipko, Lisa Kahn
<u>Project Title:</u>	Permit Issues

Statement of Project Objective:

To determine the best way to integrate standards (performance or technology-based) into permits.

Brief Description of Project

This project will attempt to address permitting concerns. A questionnaire, has been sent to iron and steel permittees, asking them to document specific examples of this problem. The results of the questionnaire will be used to develop case studies to document the extent to which this problem exists, and what might be done to address the problem. The project will also identify problems that have been identified in the permitting process and seek recommendations to resolve them.

Location and Facility Name of any Site Demonstration: No site demonstrations called for.

Specific “Cleaner, Cheaper, Smarter” Goals of Project:

Cleaner - Project will explore techniques such as pollution prevention to achieve emission levels below technology-based Standards.

Cheaper - Resolving problems in the permitting process would simplify and make more efficient the process saving time for both regulators and the regulated

Smarter - More timely results would be achieved at lesser costs.

Status of Project/Activity-(1) Subcommittee Approval of Project Concept; (2) Workplan Being Developed; (3) Subcommittee Approved Workplan (4) Project Undeaway; (5) Project Close to Completion; or (6) Recommendation for Council Consideration: 4

Expected Timeline for Completing Project and Developing Draft Recommendations:

Selection of case studies August, 1995

Analysis of case studies completed October, 1995

Development of model permit condition November, 1995

Recommendations to subcommittee: December, 1995

Recommendations to Council: January, 1996

Issues for Council Consideration: None at this time.

PROJECT SUMMARY - IRON AND STEEL SECTOR SUBCOMMITTEE

Sector Subcommittee Name: Iron & Steel
Workgroup Name: Permitting
Workgroup Co-chairs: Mike Gipko, Lisa Kahn
Project Title: Multi-media Permitting

Statement of Project Objective:

To develop a multi-media permitting process and using it a draft multi-media permit for a steel mini-mill.

Brief Description of Project

Using an actual steel mini-mill as a demonstration project the work group will develop a draft multi-media permitting process, using as a basic framework the New Jersey facility-wide permitting system based on pollution prevention Site-specific pollutant trading will also be investigated for potential economic and environmental benefits and an improved public participation process will be developed This process will then be used to draft a multi-media permit for the mini-mill. The permit will incorporate an electronic data transfer system to report on compliance.

Location and Facility Name of any Site Demonstration: Facility not yet identified

Specific “cleaner, Cheaper, Smarter” Goals of Project:

Cleaner - Pollution prevention options and implementation goals will be identified by the facility and integrated into the permit, resulting in cleaner operations.

Cheaper - An investigation of potential pollution prevention and pollutant trading options may facilitate improved environmental results without increased capital expenses. Process changes that do not increase environmental releases may avoid certain permit approval

Smarter - **Improved early public participation, accessible electronic reporting and consolidated permit processes** will benefit both the facility and the community.

Stature of Project/Activity-(1) Subcommittee Approval of Project Concept (2) Workplan Being Developed; (3) Subcommittee Approved Workplan (4) Project Underway; (5) Project Close to Completion; or (6) Recommendation for Council Consideration: 4

Expected Timeline for Completing Project and Developing Draft Recommendations:

Selection of demonstration site: september, 1995

Demonstration Project begin January, 1996

Demonstration Project completed: July, 1996

Recommendations to subcommittee September, 1996

Recommendations to Council: October, 1996

Issues for Council Consideration: None at this time.

EMERGING PROJECTS - IRON AND STEEL

The Iron and Steel Subcommittee is discussing additional projects that might be pursued. These include among others:

- ***Good Neighbor Process:*** At its October meeting, the Subcommittee will be discussing community involvement in the permitting process and with facilities in general. It is possible that the Subcommittee may identify a specific project testing out ways to break down barriers between a community and a facility or re-examine existing projects to revise or create a community component,
- . ***Electronic Data Interface: The*** Subcommittee is considering a project that would test the ability of an iron and steel plant to submit compliance data electronically.

METAL FINISHING SECTOR

Progress is Being Made on a Range of Projects That Address Strategic Goals for the Industry

There has been considerable progress in the CSI Metal Finishing Sector since work officially got underway at the first FACA Subcommittee meeting in January. *In the past nine months, there have been five Subcommittee meetings; numerous workgroup meetings, conference calls, and project team discussions; facility site visits for stakeholders; and public outreach meetings in New England, Michigan, and Los Angeles.* These activities have involved many representatives from the industry and a broad range of stakeholder groups, drawn from a growing network of over 150 interested individuals.

The Metal Finishing Subcommittee has established five workgroups, each of which has developed specific projects to promote "cleaner, cheaper, smarter" performance goals for this industry. The Subcommittee has expanded upon EPA and private sector programs that pre-date CSI, including extensive R&D for the metal finishing industry. The workgroups and project ideas also are based, in part, on a performance "tier" structure for the industry. This structure has served as a framework for understanding the industry and a tool for targeting policy options to meet the unique needs and opportunities presented by each tier:

Tier 1 firms are consistently in compliance with regulations and are proactive in making environmental improvements to move beyond compliance.

Tier 2 represents the largest industry segment, with firms that routinely seek compliance with regulatory requirements. Most firms in this tier are consistently in compliance, but lack the motivation and/or resources to improve beyond that level. A subset of these firms are not in regular compliance but would like to improve their performance to that level.

Tier 3 firms are old and outdated shops that are not sufficiently profitable to invest in new pollution controls and may want to simply shut down, but cannot do so because of fear of clean-up liability.

Tier 4 firms are "renegade" shops that are out of compliance, make no attempt to improve, and escape enforcement attention. These firms compete with the higher tier firms by avoiding the costs of environmental investments.

Each of the projects now being developed by the Metal Finishing Sector is intended to move firms up or out of the tier structure, and thereby meet CSI's objectives on either a facility-specific or industry-wide basis. Projects designed for middle and top tier firms are intended to provide greater incentives to seek continuous performance improvement; develop new technologies that will prevent pollution; and tailor compliance assistance programs to meet the needs of the industry. Projects for lower tier firms are seeking more effective ways to deal with old, contaminated facilities and chronic non-compliers.

Current sector projects are identified below, first in a chart that lists the projects under various strategic goals for the sector, then in individual project summaries.

METAL FINISHING SECTOR
Project Summary

Project Title: RCRA Metal Finishing Wastewater Sludge Project

Workgroup: Regulatory and Reporting Issues (Workgroup 1)

Workgroup Chairs: Diane Cameron, NRDC
Bill Sonntag, Surface Finishing Industry Environmental
EPA Contants: Mike flynn and Ross Elliott (OSW)

Project Objective(s): The Regulatory and Reporting Issue Workgroup is developing a project to address RCRA Definition of Solid Waste issues in a metal finishing context. The project will focus on F006 metal finishing wastewater treatment sluges, with an examination of sludge constituents and an analysis of their "commodity-like" vs. waste-like nature. The workgroup will attempt to define a sub-category of commodity-like electroplating sludge, and then explore ways to promote the sound recycling and source reduction of such sludge. Recommendations from this project will feed into the Agency's larger reexamination of the RCRA Definition of Solid Waste, informing EPA about necesay regulatory changes to reduce burden, increase recycling, and promote pollution prevention.

Description of Project: The project will consist of two phase. Phase 1 will be a broad data gathering effort to characterize the current nature of F006 sludges produced by the metal finishing industry. This data will help the workgroup understand how source reduction and recycling of F006 waste can be increased through environmentally sound practices. Phase 1 may also include a case study of pollution prevention initiatives by platers in a selected geographic area. The information gathered in Phase 1 Will be evaluated and used to determine whether and how a more focused Phase 2 regional pilot project can occur. Such a project might involve work with willing metal finishers to test innovative ways to reduce the generation of F006 wastes (e.g., source reduction initiatives, regulatory variances, regional recovery programs, etc.). These projects will involve the participation of non-industry stakeholders, icluding state government recylers, and regional and community groups.

Pilot Project Site Location(s): The Workgroup is considering a Wisconsin/Illonois pilot. Wisconsin DNR and Illinois EPA have expressed interest in the project. The Milwaukee Branch of the AESF has exprescd strong interest in participating.

"Cleaner, Cheaper, Smarter" Goals: A cleaner outcome would be a reduction in the land disposal of waste A cheaper outcome would be the reduced expense of recyling. achieved through regulatory reform and improved production practice. Smarter outcomes would include the reuse of valuable metals and increased source reduction in production practices.

Status of Project: Endorsed by the Subcommittee. The Workgroup is developing the project plan. Stakeholdcr meetings and individual stakeholder contacts arc taking place.

Timeline for Recommendations: Complete Phase 1 data gathering and begin evaluation by spring 1996. Recommendations will feed the RCRA regulatory rcevaluation process in 1996.

METAL FINISHING SECTOR

Project Summary

Project Title: Reporting Information inventory Team Evaluation (RIITE)

Workgroup: Regulatory and Reporting issues (Workgroup 1)

Workgroup Chairs: Diane Cameron NRDC
Bill Sonntag Surface Finishing Industry Environmental
EPA Contact: Matt Leopard (OPPE)

Project Objective(s): The RIITE project team will apply business process reengineering techniques to examine Federal, state, and local reporting requirements for metal finishers, across all environmental media. The team will explore ways to reduce paperwork burden improve public access to data and promote better environmental performance. The results of regional pilot projects will be used to develop national policy. recommendations on ways to reengineer existing reporting requirements to achieve the goals listed below.

Description of Project: The RIITE Project Team will develop two parallel pilot projects to inventory, evaluate, and reengineer reporting requirements for selected metal finishing facilities in Arizona and Texas. The pilot projects will include voluntary participation by large and small metal finishing firms, state government representatives, POTWs and NGO stakeholders from the respective regions.

The projects will proceed with the following steps: (1) conduct *a* bottom-up inventory of paperwork requirements on 3-5 metal finishers and their POTWs in the target states; (2) develop reporting paperwork process models and flow diagrams; (3) develop recommendations on how to reengineer environmental paperwork requirements for the participating metal finishers; and (4) *develop* implementation plans.

Pilot Project Site location(s) : Arizona and Texas

“Cleaner, Cheaper, Smarter Goals: To improve the efficiency of the existing process by collapsing duplicative or overlapping information requirement to expand public access to error-free, timely information, to reduce the burden on industry submitters and government agencies; to provide incentives for pollution prevention and to apply results nationally

Status of Project: Endorsed by the Subcommittee. Initial stakeholder planning meetings have been held. Site visits will be conducted in Arizona during October and in Texas during November. Workshop meetings will be held in Texas and Arizona beginning in 1996.

Timeline for Recommendations: (1) Complete the inventory and process models by January 1996; (2) develop preliminary options by March 1996 and (3) make planning recommendations to Metal Finishing Subcommittee by April 1996.

METAL FINISHING SECTOR

Project Summary

Project Title: Chrome Emission Pollution Prevention Technology Demo Project

Workgroup: Research and Technology (Workgroup 2)

Workgroup Chairs: Timothy Oppelt, EPA National Risk Management Research lab
Brian Manty, Concurrent Technologies Corp. / AESF
EPA Contacts: Paul Shapiro (ORD), Teresa Hanten (NRMRL)

Project Objective: The Research and Technology Workgroup is focusing much of its attention on the development and demonstration of innovative low-cost technologies designed to improve the performance of the industry and achieve cost-effective pollution prevention results. The purpose of this chrome emission technology project is to show low-cost improvements which emphasize pollution prevention in meeting new MACT standards under the Clean Air Act.

Description of Project: This project involves the testing of new technologies on a pilot basis, working with several volunteer metal finishing facilities in the midwest. The work of this project is being conducted, with CSI workgroup oversight, by the Industrial Technology Institute TTI located in Ann Arbor, MI), the Cleveland Advanced Manufacturing Center, and the Midwest Research Institute (a testing lab).

The project initially calls for the identification and visiting of test facilities, the development of a test plan and the gathering of baseline emissions data and other operating information from the test sites. At this point the facilities will make expert-recommended upgrades to control equipment, which will then be retested to document new emission levels. The results will be reported to the Workgroup and a peer review expert_ which has been set up to review all aspects of the project.

Pilot Project Site Location(s): At present, facilities are being considered in MI and OH.

"Cleaner, Cheaper, Smart Goals: The measure of success of this project will be the demonstration of low cost modifications to meet (and possibly exceed) MACT standards for chromium. EPA will use this information (in the form of case studies) to provide more formal guidance to the entire industry on lowest upgrades to meet those standards.

Status of Project: Endorsed by the Subcommittee. Candidate facilities have been identified, contacted, and visited. A test plan with recommended technology up-upgrades has been developed by the Workgroup.

Timeline for Recommendations: Baseline testing is scheduled for October 1995, with modifications due to be in place by January 1996 and a report produced by April 1996

METAL FINISHING SECTOR

Project Summary

Project Title: Strategic Research Plan

Workgroup: Research and Technology (Workgroup 2)

Workgroup Chairs: Timothy Oppelt, EPA National Risk Management Research Lab
Brian Manty, Concurrent Technologies Corp. / AESF
EPA contacts: Paul Shapiro (ORD), Teresa Harten (NRMRL)

Project Objective(s): In addition to specific technology demonstrations, the Research and Technology Workgroup also is seeking a better understanding of the technology needs of the metal finishing industry, as a basis for tailoring Federal and private sector research and development to meet those needs. The desired end product of this Work would be a "customer-oriented" research and development strategy for the industry

Description of Project: The workgroup is coordinating with EPA's Office of Research and Development, the industry trade associations (AESF and NAMF), and Research Triangle Institute (a consulting group) in the work of this project. The project calls for an inventory of Federal R&D for metal finishers and an assessment of the technology needs of the industry. A focus of the research inventory and needs assessment is on pollution prevention technologies. The information from these efforts will be used by the workgroup to develop a plan that prioritizes research needs and describes specific projects to address the highest priority needs for the industry. The project calls for peer review of the research plan.

Pilot Project Site Location(s): None

"cleaner, Cheaper, Smarter" Goals: There is a significant investment in R&D for the metal finishing industry by many government and private entities. However, it is not clear that all of these efforts are of value to an industry with so many small firms that have limited capital and expertise and such a wide range of products and process. This project will help to assure that research efforts (including technology transfer and diffusion) will meet the most significant environmental needs of the metal finishing industry and will be accessible to the typical metal finishing job shop. The project also will help to ensure that the current-research program focuses on pollution prevention and remediation technologies, so as to be of greatest benefit to small job some of which are located in brownfields

Status of Project: Endorsed by the subcommittee. The research inventory and needs assessment are completed, with reports prepared. A needs workshop was held with industry; other stakeholders also have been consulted on research needs. The workgroup now is developing the research plan.

Timeline for Recommendations: The target date for the draft research strategy is February 1996, for review by the workgroup at the next EPA/AESF environmental symposium.

METAL FINISHING SECTOR

Project Summary

Project Title **Metal Finishing Guidance Manual (Traditional Track Project)**

Workgroup: Promoting Improved Performance (Workgroup 3)

Workgroup Chairs: BJ. Mason, Mid-Atlantic Finishing/ AESF
William Saas Taskem, Inc. / MFSA
Curt Spalding, Save the Bay (RI)
EPA contacts: Bob Benson (OPPE), Mark Mahoney (New England)

Project Objective(s): The Promoting Improved Performance Workgroup has identified alternative performance “tracks” for metal finishing facilities in Tiers 1 and 2 “Traditional track” companies seek to achieve and maintain 100% compliance with all applicable federal state, and local environmental requirements. These firms are best served by “customer-oriented” assistance in the form of tools services, and programs that meet critical industry needs and do the most to promote and achieve compliance. The Guidance Manual would serve as a comprehensive plain language tool for use by shop floor managers to ensure continuing compliance with regulatory requirements. The objective of this project is to develop the manual create a system for regular updates of its Contents and promote its widespread use throughout the industry.

Description of Project: This project is a public/private partnership, co-funded by EPA and the industry trade associations, and guided by the multi-stakeholder CSI workgroup. The format and content of the manual will be based on a similar manual developed for the furniture industry. The document will include comprehensive information on Federal and state regulatory requirements, as well as technology options, pollution prevention approaches, environmental management systems, etc. The manual will have a user-friendly design and be written for shop floor use. It will be peer reviewed for accuracy and regularly updated, preferably in collaboration with the Metal Finishing National Resource Center. The manual will be highly publicized by the industry trade associations to their members.

Pilot Project Site Location(s): None

● **"Cleaner, Cheaper, Smarter" Goals:** Widespread industry use of the manual (with regular updates coordinated through the National Resource Center for Metal Finishing) would lead to improved compliance rates throughout the industry, particularly among smaller, information-poor job shops. The user-friendly pollution prevention and environmental management system information will provide a means and incentive for Tier 2 firms to consider further improvements in their operations.

Status of Project: Endorsed by the Subcommittee. EPA grant to fund part of the manual has been approved. Workgroup has generally agreed on contents and development plan.

Timeline for Recommendations: The project will be open to contractor bid proposals, with contractor selection in Fall 1996. The manual will take about six months to complete.

METAL FINISHING SECTOR

Project Summary

Project Title: Flexible Track Projects (Metal Finishing 2000)

Workgroup: Promoting Improved Performance (Workgroup 3)

Workgroup Chairs: B.J. Mason, Mid-Atlantic Finishing / AESF
William Saas, Taskem, Inc. / MFSA
Curt Spalding, Save the Bay (RI)
EPA contacts: Bob Benson (OPPE), Mark Mahoney (New England)

Project Objective(s): The Promoting Improved Performance Workgroup has identified alternative performance "tracks" for metal finishing facilities in Tiers 1 and 2. "Flexible track" firms are industry leaders who might receive flexibility and incentives to seek ambitious environmental goals. Flexible track projects would promote continuous improvement beyond baseline compliance levels and would provide tangible rewards for top performers. The flexible track could be both a mechanism and an incentive for firms to move up the performance tier ladder *toward* a system of self-regulation and zero discharge. The workgroup intends to develop a framework for a replicable flexible track system.

Description of Project: The workgroup intends to establish flexible track projects in three different locations. Each of these pilot projects will have a locally-based, multi-stakeholder project team which will be guided by the workgroup. Each pilot project will involve the negotiation of specific flexibility trade-offs designed to enhance performance and achieve the objectives of the project. Such trade-offs will generally consist of reductions in specific regulatory burdens in exchange for commitments to achieve greater environmental returns (beyond the performance levels mandated under the current system), at less overall cost.

Pilot Project Site Location(s):

- (1) Environmental Management Systems (EMS) at a Single Facility. Provide flexibility for a top tier metal finisher in CT to develop an ISO-14000-based EMS which can serve as an industry and state model.
- (2) Metal Finishing 2000. Detroit Regional Project. Develop a flexible track system with a set of top tier facilities in southeast MI, exploring flexibility options, customer and supplier relationships, community involvement ideas, regional mentoring, etc.
- (3) Metal Finishing 2000. Narragansett Bay Regional Project. Pursue innovative flexibility options for pollution prevention, permitting, enforcement with several RI firms.

"Cleaner, Cheaper, Smarter" Goals: Develop a new regulatory system that will maximize environmental improvements, commitment, long-term results; minimize costs, burdens, oversight; and promote the best possible approaches to environmental management.

Status of Project: Endorsed by the Subcommittee. Each pilot project is at a different stage of development. Initial stakeholder contacts have been made and project plans developed.

Timeline for Recommendations: Initial pilot projects in late 1995. Results by mid-1996.

METAL FINISHING SECTOR

Project Summary

Project Title: Tier 3 Site Transition Pilot Project

Workgroup: Environmentally Responsible Transition (Workgroup 4)

Workgroup Chairs: James DeWitt, GZA Geoenvironmental
Karen Morley, EPA Office of Site Remediation Enforcement
EPA contacts Scott Dosick (OPPE), Linda Darveau (New England)

Project Objective(s): *This* project is intended to develop and demonstrate a replicable process which overcomes the environmental, financial and institutional barriers to the transition of a Tier 3 metal finishing facility and its site to more productive uses.

Tier 3 firms are those metal finishing job shops, usually very old and outdated facilities whose owners wish to make a responsible transition out of the business, but are prevented from doing so for a range of reasons - a successor is not clearly evident the property has environmental liabilities and/or the company is failing financially. In such cases the transfer of the business and the responsible clean-up of a contaminated property seldom occur. The firm may eventually shut down with no assets left to clean the site for future uses. There seems to be no strategy to assist those small businesses with environmental liabilities to exit the industry (if they choose to do so) in a responsible manner. The purpose of this pilot project is to test transition strategies with a typical Tier 3 metal finishing facility.

Description of Project: The workgroup will be working with a Tier 3 metal finishing facility in Connecticut. The Workgroup will conduct a series of meetings with CT DEP, the company, and other stakeholders to explore ways to facilitate the transfer and remediation of the firm's contaminated property. In so doing the workgroup will address such issues as regulatory flexibility, community involvement prospective purchaser agreements, lender liability, and/or covenants not to sue. CSI is not finding the clean-up of this site.

Pilot Project site location: contract plating company, Inc, Stratford Connecticut

"Cleaner, Cheaper, Smarter" Goals: Abandoned and derelict former metal finishing Companies can be found in most states and are prevalent in urban areas. Owners often abandon a facility when the company's assets and property value are greatly insufficient to contend with site remediation issues. Vacant buildings and remnants of chemical use pose threats to local residents. Subsurface contamination may affect groundwater. This pilot project is intended to demonstrate a more responsible, cooperative method of transition which in turn can be more broadly applied by EPA, states, and localities to help owners of Tier 3 facilities to pursue environmentally sound transition of their business and property.

Status of project: Endorsed by the Subcommittee. Stakeholder meetings in Fall 1995.

Timeline for Recommendations: Summer 1996.

METAL FINISHING SECTOR

Project Summary

Project Title: National Resource Center for the Metal Finishing Industry

Workgroup: Compliance and Enforcement (Workgroup 5)

Workgroup Chairs: [Director TBA], Arizona Department of Environmental Quality
John Craddock, Muncie (IN) Bureau of Water Quality
EPA Contact: Greg Waldrip (OECA)

Project Objective(s): The National Resource Center will provide “one-stop” access for metal finishers and others to get up-to-date information about technical and compliance-related issues that affect their operations. The goal of the Center is to give direct, “customer-oriented” assistance to metal finishers to help them reduce pollution, promote manufacturing efficiency, and achieve full compliance with all applicable environmental laws and regulations.

Description of Project: The Center will provide a single point of contact for metal finishers state and local technical assistance offices, and consultants to easily obtain reliable information about regulatory requirements, pollution, prevention and technology development. The Center will provide on-line services that can enhance manufacturing efficiency and competitiveness while reducing environmental impact. Critical compliance information will be available to metal finishers who maybe hesitant to approach a regulatory agency. The Center will offer an Internet link allowing clients to search through a library of information including state and federal regulations, cost/benefit data on pollution prevention methods, technology updates and opportunities for more in-depth technical assistance. This project is being co-sponsored by EPA and NIST as one of four national assistance centers.

Pilot Project Site Location(s): In June, EPA and NIST awarded funds to the National Center for Manufacturing Sciences (NCMS) in Ann Arbor, MI, to establish the Center. Note that access to the center will occur through an Internet address or a toll-free telephone line. No on-site or in-person services are planned at this time. The center will have a network of experts available through the National Pollution Prevention Roundtable and NIST's Manufacturing Extension Partnership.

‘Cleaner, Cheaper, Smarter Goal: See Project Objectives, above

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Status of Project: Endorsed by the Subcommittee. The site for the Center has been selected and the funding sources have been established. Work now is underway on the design of the Center. Information is being gathered as the design phase

Timeline for Recommendations: Upcoming milestones include a pilot phase this fall with technical assistance providers as initial users; a target date of March 1996 for opening the Center to all clients; and evacuation of services to occur in September 1996.

METALFINISHING SECTOR

Project Summary

Project Title: Compliance Leadership Through Enforcement, Auditing and Negotiation (CLEAN) Project

Workgroup: Compliance and Enforcement (Workgroup 5)

Workgroup Chairs: [Director TBA], Arizona Department of Environmental Quality
John Craddock, Muncie (IN) Bureau of Water Quality
EPA contact: Mark Mdwney (Region 1, New England)

Project Objective(s): This New England-based project is intended to (1) combine pollution prevention assistance and enforcement amnesty as incentives for improved environmental performance by metal finishers, and (2) achieve measurable environmental results and increased compliance on both a facility-specific and industry-wide basis.

Description of Project: EPA and the New England states operate a variety of compliance and pollution prevention assistance programs to address the needs of metal platers. Participants are usually industry leaders who are actively soliciting assistance. The CLEAN Project will target those segments of the metal finishing industry not currently participating in the existing programs. These firms may not be using available government assistance programs because of concern about disclosure of real or perceived compliance problems.

Funded through grants, the Center for Technology Transfer/Maine Metal Products Association (CIT/MMPA) and the University of New Hampshire (UNH) will assemble multidisciplinary teams to conduct multi-media pollution prevention assessments at metal finishing facilities. The teams will identify and evaluate pollution prevention opportunities and compliance issues. They will develop specific recommendations, including implementation plans which will prioritize P2 projects based on waste stream volume and toxicity, environmental benefits compliance requirements, project costs ease of implementation, etc.

Companies that undertake pollution prevention assessments and commit to facility-wide pollution prevention and Source reduction options will receive enforcement amnesty for any violations discovered in the process and corrected. The amnesty will be generally consistent with the principles described in EPA's "Interim Policy On compliance Incentives for Small Business, issued in June 1995.

Pilot Project Site Location(s): New Hampshire and Maine; the project will involve the participation of 12-18 metal finishers.

"Cleaner, Cheaper, Smarter" Goals: The underlying assumption of the CLEAN Project is that increases in pollution prevention and compliance will achieve CSI goals.

Status of Project: Endorsed by the Subcommittee. Project is funded. Implementation will occur from October 1995 through September 1996.

Timeline for Recommendations: Preliminary results in Spring 1996.

METAL FINISHING SECTOR

Project Summary

Project' Title: POTW Training, Education and Incentives Project

Workgroup Compliance and Enforcement (Workgroup 5)

Workgroup Chairs: [Director TBA], Arizona Department of Environmental Quality
John Craddock, Muncie (IN) Bureau of Water Quality
EPA contact: Greg Waldrip (OECA), Jim Casey (OPPE)

Project Objective(s): This project is based on the premise that POTWS have a major impact on the performance of metal finishers (and other industrial dischargers) in their systems. The purpose of the project is to find Ways to effectively improve the performance of lower tier POTWs, so that they might be better able to manage their industrial users and work actively to minimize toxic releases to the environment. The project will characterize poor performing POTWs, evaluate the conditions that cause poor performance and develop necessary tools, educational materials, and incentive programs for these POTWs to improve.

Description of Project: The project team first will conduct a performance evaluation of target POTWs to identify opportunities for better management practices. The team will identify POTWS at both the top and bottom of the performance spectrum as the first step of a benchmarking exercise. The team will then analyze the barriers to improved performance by these POTWs. This analysis will involve a variety of approaches, including comparisons between top and bottom performers and interviews with relevant staff.

At this point, the project team will develop tools to aid these POTWs, starting with training materials that states can present to their POTWs. These materials will include clear interpretations of indirect and direct discharge programs, best methods for negotiating NPDES permits, enforcement flexibility allowed under the Clean Water Act and pollution prevention opportunities. Based on this analysis, tools will be developed that are designed to assist and provide incentives to poorer performing POTWs to improve their environmental performance and management of their industrial users.

Pilot Project Site Location(s): Indiana, New York, Arizona, and (possibly) Connecticut.

'Cleaner, Cheaper, Smarter' Goals: The project is intended to address key external leverage points that can beneficially affect long-term behavior and environmental performance by POTWs and the industrial dischargers (including metal finishers) in their systems.

Status of Project: Endorsed by the Subcommittee. Two methods for performing the tiering are being considered. The tiering stage should be completed by December 1995.

Timeline for Recommendations: Analysis should be completed by March 1996, with recommendations for tools and piloting of those tools to follow.

METAL FINISHING SECTOR

Other Projects Under Consideration and/or Development

Metal Products and Machinery Effluent Guideline Rule (Regulatory and Reporting Issues Workgroup). *A policy recommendation has been developed for CSI Council consideration. The workgroup will consider other issues associated with the proposed MP&M Phase 1 rule, and will look for opportunities to develop consensus recommendations for the final rule.*

EPA New England Metal Finishing Projects. EPA is developing a number of non-CSI projects for metal finishers in New England to advance CSI goals. The projects include compliance and self-audit assistance for metal finishers in Maine; a training program for the Narragansett Bay POTW to promote P2 among their industrial sources; and the development of Clean Air Act compliance agreements with five small metal finishers in CT.

Additional Research Initiatives (Research and Technology Workgroup) include alternative bath technologies and innovative technologies for brownfields remediation.

Access to Capital Project will identify current sources of capital and explore innovative methods of financing pollution prevention and site remediation activities for metal finishers. Job shops face major barriers to the funding of environmental improvements, due to their size, economic vulnerability, potential Superfund liability, etc. Issues such as lender liability, loan guarantees, and covenants-not-to-sue will be explored. _.

Pump/Use/Treatment Inventory (Promoting Improved Performance Workgroup). EPA is gathering data on sites where contaminated groundwater has been pumped, used, and treated by facilities with significant water needs. The workgroup will evaluate the potential benefits, drawbacks, barriers, and incentives for such activities, and develop parameters under which this approach to water use might have “cleaner, cheaper, smarter” outcomes.

Tier Characterization Project is a research effort currently underway to further define the relative size and impact of the metal finishing tiers. . ‘

TRI Data Project. This data gathering effort- was conducted at the request of a Subcommittee member, and generated release data for SIC categories other than 3471 that have “captive” metal finishing shops [COMPLETED]

EPA Voluntary Program Project. EPA is working with the American Electroplaters and Surface Finishers Society (AESF) to link the industry with the EPA programs that will have the greatest potential benefits for metal finishers and the environment.

Tier 3 Site Purchase Case Study (Environmentally Responsible Transition Workgroup). A high-tier metal finisher in MA wants to purchase a Tier 3 firm with environmental liabilities. The workgroup will monitor the actions of the prospective purchaser to observe the institutional, regulatory, and financial barriers to this transaction.

Tier 4 Targeting Project (Compliance and Enforcement Workgroup) would develop innovative identification and enforcement approaches to deal with Tier 4 “renegade firms.”

Petroleum Refining Subcommittee

Summary of Activities, Issues, and /or Key Messages

- ◆ The subcommittee has convened five times throughout calendar year 1995. Work Groups have also held numerous conference calls throughout the year.
- ◆ Trust has been a key issue for this subcommittee. Deliberations have often been difficult and slow for this reason. There has also been a disparity of goals on the part of several stakeholders that has made consensus difficult.
- ◆ The subcommittee has invested a great deal of time and effort in working through the issues of trust, and has reported out consensus on proceeding with two projects. Thanks to all who have stayed with the process.
- ◆ The subcommittee noted early on that it was necessary to start with small steps in order to build positive working relationships among stakeholders. Therefore, the "One-Stop Reporting" project is limited to air emissions as a starting step.
- ◆ The "Fugitive Emissions" project, although still in the conceptual stage, has tremendous potential to craft a regulatory reform approach that will result in "Cleaner, Cheaper, and Smarter."
- ◆ It is possible that after this initial phase of building positive working relationships, the subcommittee may be enabled to revisit issues of permit reform and community empowerment, which were not points of agreement at earlier meetings.
- ◆ The subcommittee needs to improve the participation of environmental justice representatives, or in some way ensure inclusion of the environmental justice viewpoint in our deliberations.

PROJECT/ACTIVITY SUMMARY -- PETROLEUM REFINING SECTOR

Sector Subcommittee Name: Petroleum Refining

Project Team Name: "The Fugitives"

Workgroup Chair: Co-Chairs to be determined

Project/Activity Title: Fugitive Emissions (Project Concept Only)

Statement of Project or Activity Objective:

To further investigate a potential project that could result in a more effective **and** efficient approach to regulations pertaining to equipment leaks at Petroleum Refineries.

Brief Description of Project Activity:

When exploring the possibility of a project concerning fugitive emissions, the Subcommittee did not reach consensus on all aspects of a project; however, the members raised several issues/benefits for the workgroup to consider, such as:

- streamlining overlapping regulations
- reducing costs of monitoring
- ensuring accountability to the community
- improving leak prevention, detection, and repair through better monitoring
- identifying and targeting the most serious processes and chemicals for heightened scrutiny
- reviewing current regulatory requirements
- simplification of regulations, but no change in applicability
- very complex recordkeeping that results in limited environmental benefit
- monitoring flexibility based on environmental significance/performance

After discussion of these and other issues, the Subcommittee charged a project team with the following:

1. To develop educational material regarding the regulatory requirements for the existing leak detection and repair programs and to disseminate this information to all project team and Subcommittee members:
2. Discuss types of projects which would need to be done in order to achieve the goal of defining a more effective and efficient approach to regulating/controlling fugitive emissions (equipment leaks).
3. Investigate reinventing fugitive emission (equipment leaks) regulations to be cleaner, cheaper and smarter.

4. Develop a process to accomplish #3.

Location and Facility Name of any Site Demonstration: N/A

Specific “Cleaner, Cheaper, Smarter” Goals of Project/Activity:

This project has the potential for reduced fugitive emissions at refineries by focusing efforts on those sources which are most consequential. This could be accomplished through greater flexibility and a simplified/streamlined process of leak detection and repair as well as reducing overlapping regulatory requirements.

Status of Project/Activity: (1) Subcommittee has approved the Project Concept

Expected Timeline for Completing and Developing Draft Recommendations:

To be determined

Issues for *Council* Consideration:

N/A

PROJECT/ACTIVITY SUMMARY -- PETROLEUM REFINING

Sector Subcommittee Name Petroleum Refining

Workgroup Name: **One-Stop Reporting**

Workgroup Chairs: Dennis Parker, Conoco
WilmaSubra, LEAN

Project/Activity Title **"One Stop Reporting/Public Access --
Refinery Air Emissions"**

Statement of Project or Activity Objective:

1.) Eliminate redundancy, overlap, and obsolescence in air emission reports submitted by a pilot refinery. 2.) Facilitate understanding and accessibility of reported data on the part of the community; State, local and federal regulators; and the regulated facility itself. 3.) Translate results of the pilot project into a recommendation for improved reporting efficiency and data accessibility for the refining industry nationwide.

Brief Description of Projector Activity:

Identify a pilot refinery through efforts of industry subcommittee members, API, and NPRA. The refinery selected will have a good track record in communicating with the local community. Through the support of an EPA contractor, the subcommittee workgroup will compile air emission reporting requirements that the pilot refinery submits to its State, local, and Federal regulatory agencies. The data will be displayed to enable the refinery management and the appropriate regulators to confirm the data's accuracy. Feedback will be obtained from local community representatives to determine the extent of community understanding, and how a consolidated and streamlined reporting scheme may enhance their understanding. Redundant, overlapping, and obsolete reporting requirements will be identified and evaluated by the workgroup; recommendations for streamlining and consolidation will be forwarded to the subcommittee.

Location and Facility Name of any Site Demonstration:

Pilot refinery to be determined by the end of October, 1995.

Specific “Cleaner, Cheaper, Smarter” Goals of Project/Activity:

A streamlined, consolidated air emission reporting scheme is expected to result in cheaper and smarter results. Greater efficiencies can also be expected to transfer refinery resources to efforts that are more worthwhile for the environment. Enhanced understanding and accessibility of reported data should also result in a more knowledgeable and informed community.

Status of Project/Activity-

(1) Subcommittee Approval of Project Concept: July, 1995

(2) Workplan Being Developed:

Work assignment was approved by the subcommittee in September, 1995. Contractor will submit workplan in October, 1995.

(3) Subcommittee Approved Project: September, 1995

(4) Project Underway: Yes.

(5) project Close to completion: Completion expected @ June, 1996

(6) Recommendation for Council Consideration: Expected@ July, 1996

Expected Timeline for Completing and Developing Draft Recommendations:

Issues for Council Consideration: Seeking enforcement incentives for the pilot refinery.

EMERGING PROJECTS/ACTIVITIES of the Petroleum Refining Subcommittee

The following are short bullets on various topics under discussion by the Petroleum Refining subcommittee and/or its workgroups that may emerge as projects in the future:

- Following completion of the “One-Stop” Project, the Subcommittee will consider extending the approach to all refinery requirements (not only reporting) for air emissions.

PROJECT/ACTIVITY SUMMARY - PRINTING SECTOR SUBCOMMITTEE

Sector Subcommittee Name: Printing
Workgroup Name: Living Lab Project
Workgroup Chair: Lynn Vendinello
Project/Activity Title Information/Data Collection and Management

Attachment 9

Statement of Projector Activity Objective

Meet the environmental" information needs of all six stakeholder groups while simplifying the reporting requirements for printers.

Brief Description of Project or Activity:

First evaluate the data that a small printer would have available, based on records of materials purchased used and disposed. Then use focus groups and other methods to determine the environmental information (not data) needed by the six stakeholder groups. Next determine what data are required to meet those information needs and where they will come from. Finally, determine how to deliver the desired information in a way that is convenient and comprehensible for the intended audiences as well as for the suppliers of the information. Efforts will focus on reducing the weight of the compliance burden on the printer while insuring that the stakeholders have access to the information they need.

Location and Facility Name of any Site Demonstration:

None chosen as yet but sites under consideration include Minneapolis (and elsewhere in Minnesota), Chicago and Washington D.C.

Specific "Cleaner, Cheaper, Smarter" Goals of Project/A-

Cleaner: Provide better environmental information so that printers and others (including suppliers) will be more capable of identifying and pursuing pollution prevention opportunities and other environmental improvements.

Cheaper: Reduce the cost and difficulty for printers to collect and submit data, as well as for the state to process that information.

Smarter: Eliminate unnecessary data collection while making the information available to a wider audience.

Status of Project/Activity-(1) Subcommittee Approval of Project Concept (2) Workplan Being Developed; (3) Subcommittee Approved Workplan; (4) Project Underway or (5) Project Close to Completion: (6) Recommendation for Council Consideration 1/2 ____

Expected Timeline for Completing and Developing Draft Recommendations:

October 1995-september 1996

Issues for Council Consideration:

None

PROJECT/ACTIVITY SUMMARY - PRINTING SECTOR SUBCOMMITTEE

Sector Subcommittee Name: Printing
Workgroup Name: New York Education Project
Workgroup Chair: Marci Kinter, Jane HoudeK, Laura Hickey
Project/Activity Title: Same

Statement of Project or Activity Objective:

The objective of this project is to achieve fundamental change within the printing sector to incorporate the philosophy of pollution prevention into everyday work practices through education and outreach. The initial target of this project will be small printers, followed by customers and suppliers.

Brief Description of Project Activity:

The project focuses on screen, lithographic, and flexographic printers located in the five boroughs of New York City. The education component of the project would consist of a series of seminars and outreach events designed to apprise small printers of their regulatory responsibilities, and to introduce and then train printers in pollution prevention techniques. It is proposed that a baseline survey be utilized to gauge current activities, and that a series of follow-up Surveys/visits with the facilities be arranged.

This project will evaluate not only the information available, but the dissemination techniques as well. Different methods of information delivery will be evaluated and critiqued. The project team intends to keep an accounting of program participation and results. This will allow for replicability of effective measures.

Location and Facility Name of any Site Demonstration: New York City (multiple sites)

Specific "Cleaner, Cheaper, Smarter" Goals of Project/Activity:

The goal is to give small printer, print customers, and print suppliers environmental compliance and pollution prevention information in a user friendly form and to then evaluate if they choose to use the information. We want to teach customers, and regulators the value of pollution prevention and foster cooperation in environmental improvement.

Status of Project/Activity-(1) Subcommittee Approval of Project Concept; (2) Workplan Being Developed; (3) Subcommittee Approved Workplan; (4) Project Underway; or (5) Project Close to Completion: (6) Recommendation for Council Consideration 3/4.

Expected Timeline for Completing and Developing Draft Recommendations:

Eighteen months

Issues for Council Consideration: None

PROJECT/ACTIVITY SUMMARY - PRINTING SECTOR SUBCOMMITTEE

Sector Subcommittee Name: Printing
Workgroup Name: Compliance Tools
Workgroup Chair:
Project/Activity Title Multi-Media Flexible Permitting Pollution Prevention Project

Statement of Project or Activity Objective:

To develop a permit system applicable to printers that allows for operational flexibility, pollution reduction across all media, and improved protection of the environment workplace, and community. The system will be simpler to implement and manage for regulatory agencies and businesses, assure compliance, and enhance access for the public.

Brief Description of Project or Activity:

The purpose of the proposed project is to develop flexible approaches to permitting, operations, and compliance demonstration using flexibility in permitting options, pollution prevention and other methods for different sizes and types of printing facilities that are subject to permitting requirements. The project will be a multi-media initiative that incorporates pollution prevention worker and community involvement, and environmental justice in its design implementation, and evaluation. One of the subgroups of this workgroup has been working on an outline and summary of a program for public participation and environmental justice. Once the project template is developed one or more printing facilities will be identified for demonstration of portions or all of the project.

Location and Facility Name of any Site Demonstration:

Not identified at this time

Specific “Cleaner, Cheaper, Smarter” Goals of Project/Activity

Cleaner:

- Promoting ways printers can go beyond compliance
- Increasing public access to and involvement in the permitting process for facilities.
- Incorporating incentives in permits to reduce plant-wide emissions limits and increase pollution prevention.

Cheaper:

- Reducing permitting/compliance demonstration costs to regulatory agencies and printing facilities without compromising environmental and public health standards
- Streamlining permitting processes

Smarter:

- Streamlining permitting processes
- Identifying specific regulatory barriers that prevent printers from achieving pollution prevention
- Providing mechanism for enhanced community participation in Permitting

Status of Project/Activity-(1) Subcommittee Approval of Project Concept (2) Workplan Being Developed; (3) Subcommittee Approved Workplan; (4) Project Underway; or (5) Project close to Completion: (6) Recommendation for Council Consideration: _3/4_

Expected Timeline for Completing and Developing Draft Recommendations: One year

Issues for Council Consideration: None at this time

5/19/75

CROSS-CUTTING ISSUES OF INTEREST TO CSI SUBCOMMITTEES.

	Auto Manufacturing	Computers & Electronics	Iron & Steel	Metal Finishing	Petroleum Refining	Printing
1. Pollution Prevention	<ul style="list-style-type: none"> Develop life cycle management strategies & enhanced supplier partnerships Develop alternative regulatory framework - flexibility to achieve stds through P₂ Community technical assistance & involvement project 	<ul style="list-style-type: none"> Eliminate CWA & RCRA barriers to water conservation Eliminate RCRA barriers to recycling Develop recycling markets 	<ul style="list-style-type: none"> Performance based Standards: Identify incentives for adoption of pollution prevention Multi-media permitting - incorporate pollution prevention into permit process 	<ul style="list-style-type: none"> All subcommittee projects have P₂ components Promote pollution prevention in regulatory & reporting issues Demonstration project: chrome plater pollution prevention technology Flexible track project - flexibility for beyond compliance performance 	<ul style="list-style-type: none"> RCRA definition of solid waste Voluntary Management Standards Beyond compliance for fugitive emissions Encourage inherently safer technology "Good neighbor agreements" - promote P₂ 	<ul style="list-style-type: none"> Discussion with financial (banks et al.) & insurance institutions about pollution prevention opportunities / investments Establish national computer based clearinghouse
2. Compliance / Enforcement / Audits	<ul style="list-style-type: none"> Develop alternative regulatory framework including compliance & enforcement improvements 	<ul style="list-style-type: none"> Investigate & develop alternative approaches (e.g. ISO 1400), vol. audits, 3rd party audits, Technical assistance, etc. Integrate government policies & regulations 	<ul style="list-style-type: none"> Alternative compliance strategy (ascertain if enforcement policies reflect variables of technology) Develop good neighbor process Consolidate reporting requirements 	<ul style="list-style-type: none"> Establish a compliance assistance center New England audit project POTW training & education project - improve performance 	<ul style="list-style-type: none"> Voluntary management stds Determine feasibility of going beyond compliance for fugitive emissions in return for regulatory flexibility 	<ul style="list-style-type: none"> Create new regulatory tool box Incentives for self-auditing Examine ways to increase use of perf. benchmarks, self auditing, best management practices
3. Permitting	<ul style="list-style-type: none"> NSR, Title III, Title V: recommend measures to remove barriers to efficient & accessible air permitting Public participation - create system for positive & informed role Develop alternative permit modification process 	<ul style="list-style-type: none"> Flexible performance based permit alternatives 	<ul style="list-style-type: none"> Electronic data interchange Performance based standards - develop permit recommendations, P₂ incentives, document barriers Develop a multi-media permitting process 	<ul style="list-style-type: none"> Permitting issues likely to arise when innovative technology projects try to test new technologies (Tier 3 site demo, flexible track, & POTW projects) 	<ul style="list-style-type: none"> Enhanced Monitoring Rule Project that assesses feasibility of fence-line monitoring Title V Operating Permits: flexibility, speed of modifications Improve community participation Develop model permit for Title V - refineries 	<ul style="list-style-type: none"> Improve & consolidate permitting / control requirements Develop additional guidance Develop model general operating permit Develop storm water permitting policy
4. Recordkeeping / Reporting / Data Collection / Measurement	<ul style="list-style-type: none"> Streamline reporting requirements & create more meaningful & accurate portrayal of environmental performance that encourages pollution prevention Design standardized, supplemental, electronic data document 	<ul style="list-style-type: none"> Id guiding principles for a combined multi-media report Id data elements for environmental decision making Explore mechanisms for electronic reporting & better access to information 	<ul style="list-style-type: none"> Develop consolidated reporting requirements Pilot electronic reporting for Discharge Monitoring reports & Hazardous Waste 	<ul style="list-style-type: none"> Reporting: assess burdens & public data needs in specific geographic area 	<ul style="list-style-type: none"> Reduce duplicative reporting requirements Improve accessibility of information to communities One Stop data access 	<ul style="list-style-type: none"> Address data collection & consolidated reporting issues Create prototype reporting form & pilot test Investigate software & electronic methods Develop environmental perf. indices Redefine cost-benefit analysis P₂ community report card
5. Clean Air Act Title V	<ul style="list-style-type: none"> Activities relating to permitting - see above 	<ul style="list-style-type: none"> No specific projects have been identified at this time 	<ul style="list-style-type: none"> No specific project developed at this time - may be some overlap with developing an alternative compliance strategy & performance based stds activities 	<ul style="list-style-type: none"> Issue identified; no specific projects developed at this time 	<ul style="list-style-type: none"> Activities relating to permitting - see above 	<ul style="list-style-type: none"> Activities relating to permitting - see above

	Auto Manufacturing	Computers & Electronics	Iron & Steel	Metal Finishing	Petroleum Refining	Printing
6. New Source Review	<ul style="list-style-type: none"> • Activities relating to permitting - see above 	<ul style="list-style-type: none"> • No specific projects have been identified at this time 	<ul style="list-style-type: none"> • No specific project developed at this time - may be some overlap with developing an alternative compliance strategy & performance based stds activities 		<ul style="list-style-type: none"> • Minor NSR/Title I modifications 	
7. Enhanced Monitoring			<ul style="list-style-type: none"> • No specific project developed at this time - may be some overlap with developing an alternative compliance strategy & performance based stds activities 		<ul style="list-style-type: none"> • Participate in enhanced monitoring stakeholder group 	
8. Brownfields			<ul style="list-style-type: none"> • Develop, pilot test & document a process for redevelopment of an iron & steel brownfield site 	<ul style="list-style-type: none"> • Environmentally responsible transition for Tier 3 sites • Innovative technology for brownfields remediation: low cost, low technology approaches 		
9. Definition of Solid Waste		<ul style="list-style-type: none"> • Eliminate RCRA barriers to recycling • Eliminate barriers to water conservation imposed by RCRA language 	<ul style="list-style-type: none"> • Identify barriers to adoption of innovative technology focusing on several case studies, particularly definition of solid waste as it applies to metals recovery 	<ul style="list-style-type: none"> • Develop pilot to address Definition of Solid Waste regulatory issues (especially F-006 wastewater treatment sludges) in metal finishing context 	<ul style="list-style-type: none"> • Enable petroleum refineries to recycle back into crude processing stream wastes that are hazardous because of a characteristic (e.g., corrosive, explosive) 	<ul style="list-style-type: none"> • Develop guidance on use of industrial wipers • Develop definition for solvent recovery that reflects printers' operations
10. Emergency Response Plans		<ul style="list-style-type: none"> • Identify data elements for environmental decision making including worker protection decisions 			<ul style="list-style-type: none"> • Discussing I plan approach for emergency response. Projects undetermined at this time 	
11. Potential to Emit					<ul style="list-style-type: none"> • Enforce on actual emission as opposed to potential 	<ul style="list-style-type: none"> • Compile all potential to emit approaches by states
12. Innovative Technology			<ul style="list-style-type: none"> • Develop a bulletin board for innovative technology • Convene innovative technology conference • Develop electronic innovative technology source book • Id regulatory, administrative & statutory barriers to innovation • Develop technology vision for iron & steel industry 	<ul style="list-style-type: none"> • Develop research & technology strategic plan • Demonstrate pollution prevention technology for chrome plating • Develop alternative bath technologies • Develop innovative technology for brownfields remediation 	<ul style="list-style-type: none"> • Determine barriers & regulatory approaches to provide innovative technology incentives • Encourage inherently safer technology • Demonstrate cost & performance of fence-line monitoring 	<ul style="list-style-type: none"> • Id & evaluate innovative technologies by printing sector, printing phase & environmental impact • Cost accounting pilot for screen printers • Id technology needs from community & worker standpoint • Develop tech transfer videos

* THE INFORMATION CONTAINED IN THIS CHART HAS NOT NECESSARILY RECEIVED APPROVAL THROUGH THE CONSENSUS BASED PROCESS OF THE SUBCOMMITTEES.

Summary of Auto Manufacturing Subcommittee/Project Teams Substantive Areas of Focus:

PROJECT TEAMS	PROJECT TEAM FOCUS AREA
COMMUNITY TECHNICAL ASSISTANCE	1. PUBLIC PARTICIPATION: Create a system in which communities play a positive and informed role; helping to improve the environmental and economic performance of local employers.
PERMITTING REGULATORY INITIATIVES	2. NSR, TITLE III, TITLE V: Identify and recommend corrective measures for existing and/or proposed regulations that are redundant, provide insignificant environmental benefits, or otherwise serve as barriers to efficient and accessible air permitting.
LIFE CYCLE MANAGEMENT .	3. LIFE CYCLE MGMT/PARTNERSHIPS: Develop principles and Strategies for the application of life cycle mgmt through enhanced supplier partnerships as a means of further reducing environmental impacts in an economically efficient manner.
ALTERNATIVE REGULATORY FRAMEWORK	4. ALTERNATIVE REGULATORY FRAMEWORK: Further define and demonstrate an alternative framework which provides for flexibility in attaining the environmental goals through a new regulatory approach. Team will further discuss appropriate venue for pursuing alternative regulatory framework.

Summary of Computers and Electronics Subcommittee/Workgroup Substantive Areas of Focus:

WORKGROUP	WORKGROUP POTENTIAL FOCUS AREAS
PROMOTING POLLUTION PREVENTION, RECYCLING, & PRODUCT STEWARDSHIP	<ol style="list-style-type: none"> 1. ELIMINATE RCRA BARRIERS TO RECYCLING: Change RCRA requirements to promote take-back, closed-loop recycling, and recycling of leaded glass, batteries, metals, plastics, and other materials used in electronic and computer industry. 2. ELIMINATE BARRIERS TO WATER CONSERVATION: Investigate barriers to closed loop recycling and water conservation imposed by Clean Water Act and RCRA permit language. 3. DEVELOP RECYCLING MARKETS: Develop strategies to develop incentives and infrastructures for recycling markets for electronics and computer industry products and wastes.
INTEGRATED & SUSTAINABLE ALTERNATIVE STRATEGIES FOR ELECTRONICS	<ol style="list-style-type: none"> 4. INVESTIGATE AND DEVELOP ALTERNATIVE APPROACHES: Look at alternative approaches being pursued by existing federal, state, and local entities. Alternatives investigation include ISO 14000 environmental management, auditing, and labeling, project XL, good neighbor programs, increased public participation, voluntary audits, third party audits, the Environmental Leadership program, technical assistance to small business, industry covenants, and flexible performance based permit alternatives, environmental cost and materials accounting, and market based approaches to environmental protection. 5. INTEGRATION OF ENVIRONMENTAL POLICIES & REGULATIONS: Integration of state, federal, and local requirements and initiatives and integration of environmental, health, and safety standards. Develop a model organization that integrates and implements alternative environmental protection strategies. 6. INDUSTRY SUPPLIER-CUSTOMER RELATIONS: investigate opportunities for supplier relationships in which electronics sector companies work with suppliers to promote improved environmental management throughout the supply chain.
REPORTING AND INFORMATION ACCESS	<ol style="list-style-type: none"> 7. COMBINED MULTI-MEDIA REPORT: Identify the guiding principles for a combined, uniform environmental report which is multi-media contains information which satisfies international, federal, state, and local requirements: is easy to understand; and has high quality data. 8. DATA ELEMENTS FOR ENVIRONMENTAL DECISION MAKING: Identify what data is needed to make environmental, community, and worker protection decisions, how the data will be used, what deficiencies and barriers are imposed by the existing reporting system, and how barriers can be overcome. 9. ACCESS TO INFORMATION: Explore mechanisms for electronic reporting, easy and widespread access to information, compliance assistance, and support for users
INFORMATION NEEDS	<ol style="list-style-type: none"> 10. COLLECT INFORMATION FOR INFORMED DECISION MAKING: Collect information requested by the electronics sector subcommittee to support the targeting and resolution of issues

Summary of Iron and Steel Subcommittee/Workgroup Substantive Areas of Focus:

WORKGROUP	WORKGROUP FOCUS AREA
BROWNFIELDS	1. BROWNFIELDS DEMONSTRATION: Develop, pilot test and document a process for redevelopment of an Iron and Steel Brownfield site
COMPLIANCE	2. ALTERNATIVE COMPLIANCE STRATEGY: Compare the derivation of technology-based standards with policies regarding their enforcement to ascertain if enforcement policies reflect the inherent variables of the technology in question; couple any recommended changes in standards or their enforcement with additional controls at other regulated or non-regulated sources for greater net gain. 3. GOOD NEIGHBOR PROCESS: Develop a model "good neighbor" process to break down barriers between communities and facilities 4. CONSOLIDATED REPORTING REQUIREMENTS: Develop a viable multi-media activity report consolidating duplicative current reporting requirements and accessible to the public
INNOVATIVE TECHNOLOGY	5. BULLETIN BOARD FOR INNOVATIVE TECHNOLOGY: Develop a bulletin board containing information about technology and other identified areas 6. INNOVATIVE TECHNOLOGY CONFERENCE: Convene a conference dealing with iron and steel issues sponsored by industry, EPA, and other interested parties 7. INNOVATIVE TECHNOLOGY COMPENDIUM: Develop an electronic innovative technology source book (for the bulletin board) 8. REGULATORY, ADMINISTRATIVE AND STATUTORY BARRIERS: Identify barriers to the adoption of innovative technology focusing on several case studies, particularly the definition of solid waste as it applies to metals recovery 9. TECHNOLOGY VISION: Develop a statement about the iron and steel industry of the future and the role of technology
PERMITS	10. ELECTRONIC DATA INTERCHANGE: Pilot test electronic data reporting for Discharge Monitoring Reports and Hazardous Waste Manifests; expand based on lessons learned 11. PERFORMANCE BASED STANDARDS: Document problems associated with the application of performance or technology based standards, document inconsistencies between development of Federal standards and their application in permits, identify incentives to stimulate adoption of pollution prevention and other techniques to achieve lower emission levels, and develop permit recommendations 12. MULTI-MEDIA PERMITTING: Develop a multi-media permitting process for a component of the industry

The Metal Finishing Subcommittee has established five workgroups., each of which has developed specific projects to address key issues and opportunities for ‘cleaner, cheaper, smarter” performance in this industry. The Subcommittee has expanded upon numerous EPA and private sector programs that pre-date CSI, including extensive research and development activities for the metal finishing industry. The workgroups and project ideas also are based, in part, on a performance “tier” structure for the industry that was developed in an earlier analytical project; this structure has served as a framework for understanding the industry and a tool for targeting policy options to meet the unique needs and opportunities presented by each tier:

Tier 1 firms are consistently in compliance with regulatory requirements and are the most proactive in making environmental *improvements to move* beyond baseline compliance.

Tier 2 represents the largest industry segment. The primary environmental objective of these firms is to be in compliance with existing regulatory requirements. Most firms in this tier are consistently in compliance, but lack the motivation and/or resources to improve beyond that level. A subset of these firms are not presently in regular compliance but would like to improve their performance to that level.

Tier 3 firms include old and outdated shops that are not sufficiently profitable to invest in new pollution controls and may want to simply shut down, but cannot do so because of fear of clean-up liability.

Tier 4 firms are “renegade” shops that are out of compliance, make no attempt to improve, and escape enforcement attention. While not substantial competitors, these firms pull down the reputation of the industry and compete with the higher tier firms by avoiding the costs of environmental investments.

Each of the projects now being developed by the Metal Finishing Sector are intended to move firms up or out of the *tier structure*, and thereby meet CSI’s “cleaner, cheaper” objectives on either a facility-Specific or industry-wide basis. Projects designed for middle-to-top tier firms have focused on providing greater flexibility and incentives to seek continuous performance improvement; developing new technologies that will help to prevent pollution, tailoring compliance assistance programs to meet the needs of the industry; and exploring the beneficial environmental impacts of helping POTWs to work more effectively with the metal finishers in their systems. Projects for lower tier firm are seeking new ways to deal with old, contaminated facilities and chronic non-compliers.

Cross-Cutting Projects:

- ▶ Tier characterization (Workgroups 3,4, and 5): define further the relative size of the industry tiers and the relative significance of each tier, in terms of environmental and economic impacts.
- ▶ Traditional Track Compliance Assistance(Workgroups 3 and 5).
 - Develop coordinated compliance assistance strategy for metal finishers.
 - Develop plain language manual for metal finishing shop managers, focusing on compliance assistance and environmental management systems; develop training programs and incentives for use; ensure maintenance of the manual.
- ▶ Access to capital (Workgroups 3 and 4); analyze barriers that restrict public and private lending to metal finishing firm.
- ▶ TRI data project generate supplemental environmental data for SIC categories other than 3471 than involve metal finishing.
- ▶ EPA voluntary programs work with the industry technical trade association to connect with programs having greatest potential impact on metal finishers.
- ▶ TogetherNet: create e-mail network for core CSI Metal Finishing participants; possible prototype for broader industry e-mail system.

Summary of Metal Finishing Subcommittee/Workgroup Substantive Areas of Focus (Implementation of several of the projects listed below already is underway; others will begin during the next few months.)

WORKGROUP	WORKGROUP FOCUS AREA
REGULATORY AND REPORTING ISSUES	<p><i>Reducing burden while promoting pollution prevention and protecting public right-to-know.</i></p> <ol style="list-style-type: none"> 1. Metal Products and Machinery (MP&M effluent guideline rule): ongoing stakeholder dialogue to seek consensus on issues raised in the proposed rule. 2. RCRA waste issues: develop pilot to address Definition of Solid Waste regulatory issues (especially F-006 wastewater treatment sludges) in a metal finishing context. 3. Reporting: develop pilot to assess cumulative burdens and public data needs in a specific geographic area; also, possible metal finisher participation in U.S./Mexico EDI project. (Note, worker training issues also are being considered.)
RESEARCH AND TECHNOLOGY	<p><i>Ensuring that programs meet the industry's needs.</i></p> <ol style="list-style-type: none"> 4. R&T strategic plan project: develop a research inventory needs assess/match with research, and plans for technology diffusion to small metal finishers. 5. P2 project: chrome plater pollution prevention technology demonstration project. 6. Alternative bath technologies project: assessments, demos; focus on zinc, cyanide. 7. Innovative technology for brownfields remediation: low cost, low tech approaches.
PROMOTING IMPROVED PERFORMANCE	<p><i>Setting standards, providing incentives, and promoting investment.</i></p> <ol style="list-style-type: none"> 8. Flexible track project: work with top tier firms in four selected geographic areas to test the environmental and economic effects of providing greater flexibility to achieve "beyond compliance" performance.
ENVIRONMENTALLY RESPONSIBLE TRANSITION	<p><i>Addressing the liability and succession issues of Tier 3 firms.</i></p> <ol style="list-style-type: none"> 9. Tier 3 site demo project: develop a replicable transition process with volunteer firms, focusing on site evaluation, stabilization, and long-term improvement strategy develop guidance document to assist metal finisher business transition. 10. Estate planning and trust fund demo projects: additional tools for transition.
COMPLIANCE AND ENFORCEMENT	<p><i>Leveling the playing field between top and bottom tier firms.</i></p> <ol style="list-style-type: none"> 11. Resource center project: customer-oriented compliance assistance (open in 1995). 12. New England audit project: stage 1 audits and amnesty incentives for voluntary compliance; Stage 2 inspections and enforcement focused on Tier 4 firms. 13. POTW training and education project: work with lower tier POTWs to improve their performance and enable them to deal with lower tier metal finishers.

Summary of Petroleum Refining Subcommittee/workgroup Substantive Areas of Focus:

WORKGROUP	WORKGROUP FOCUS AREA
REGULATORY REFORM	<ol style="list-style-type: none"> 1. RCRA DEFINITION OF SOLID WASTE: enable petroleum refineries to recycle back into the crude processing stream wastes that are hazardous because of a characteristic (e.g., corrosive, explosive.) 2. VOLUNTARY MANAGEMENT STANDARDS: examine existing system such as GEMI, ISO 14000, to determine how such an approach may be an option to go beyond compliance at refineries. 3. BEYOND COMPLIANCE FOR FUGITIVE EMISSIONS: conduct a pilot project at a volunteer refinery to determine the feasibility of going beyond compliance for fugitive emissions in return for regulatory flexibility. 4. REDUCING BARRIERS TO INNOVATIVE ENVIRONMENTAL TECHNOLOGY USE AT REFINERIES: determine barriers and regulator approaches to provide incentives.
REPORTING AND RECORDKEEPING	<ol style="list-style-type: none"> 5. REDUCE DUPLICATIVE REPORTING REQUIREMENTS: explore with API and industry the current availability of a compiled list of redundant reporting requirements. Use as starting point for matrix. Significance/understandability of data to public is a consideration. Review OSWER'S project to consolidate emergency response plans at refineries. 6. IMPROVE ACCESSIBILITY OF INFORMATION TO COMMUNITIES: assess community needs for information, and the best vehicles to disseminate information. Build on existing networks, if possible. 7. ONE STOP DATA ACCESS: volunteer as facility or industry pilot for OTS' "one-Stop Data Access" project to support both of the first two objectives.
ACCIDENT PREVENTION	<ol style="list-style-type: none"> 8. ENCOURAGE inherently SAFER TECHNOLOGY: examine technology options analysis or other methodology to encourage inherently safer technology. 9. DEVELOP REFINERY MODEL FOR 112(r) RULE: assess unique aspects of facilities, including implementing safer technology. 10. IMPROVED PUBLIC PARTICIPATION: explore a model program under the RMP program. 11. IMPROVED TRAINING: Use existing needs analyses to identify a core curriculum for permanent and contract workers that would eliminate training redundancies and identify gaps in order to increase proficiency on the job. Work with OSHA and DOE to identify regulatory barriers to change.
COMPLIANCE AND Permitting	<ol style="list-style-type: none"> 12. ENHANCED MONITORING RULE: construct a pilot project that will help determine the feasibility of fence-line monitoring as a possible substitute for certain point source monitors. Participate in enhanced monitoring rule stakeholder group. 13. TITLE V OPERATING PERMITS: build in flexibility for expediting change/modifications at refineries. 14. IMPROVED COMMUNITY PARTICIPATION: community participation: examine approaches to incorporate community input at the beginning of the permit process, rather than a 30-day review period at the end. 15. DEVELOP MODEL PERMIT FOR TITLE V: 16. STREAMLINE MINOR NSR/TITLE I MODIFICATIONS: 17. REDEFINE "POTENTIAL TO EMIT" AS BASIS FOR FEDERAL ENFORCEABILITY:

Summary of Printing Subcommittee /Workgroup Substantive Areas of Focus:

WORKGROUP	WORKGROUP FOCUS AREA
GOALS, OBJECTIVES, MILESTONES, & SHARED VISION	1. Define Environmental Performance Objectives
MARKETING INFRASTRUCTURES AND INNOVATION	2. Provide guidance to customer (printing sector) on environmentally sound printing practice 3. Provide guidance on environmental impact to suppliers (MSDS, etc.) 4. Improve me-way communication and information exchange opportunities between printing sector and governments; encourage and create new partnerships (e.g. one stop shopping) 5. Educate financial (banks et al.) and kurance institutions about pollution prevention opportunities/ investments. 6. Increase opportunities in printing industry for mentoring and other educational initiatives. 7. Identify and evaluate innovative technologies by sector, by printing phase, and by environmental impact. 8. Address technology transfer: training; operation procedure; customer/purchaser relationships; and assessing demand implications
REGULATIONS AND COMPLIANCE	9. Define and Calculate Potential to Emit 10. Improve and Consolidate Permitting/control Requirements 11. Create New Regulatory Tool Box
DATA COLLECTION, GRADING & MEASUREMENT	12. Determine how to use environmental performance information to inform and involve communities concerned with risk. Improve two-way communication between printing sector and communities 13. Examine ways to increase the use of performance benchmarks, self auditing, best management practices 14. Address data collection and consolidated reporting issues 15. Develop printer's environmental performance indices 16. Address community / social concerns and implications of management technology/printing activities 17. Redefine economic/cost-benefit analyses: cost allocation; and incorporate social costs/benefits

OVERVIEW OF COMMON SENSE INITIATIVE PROJECTS

October 15, 1995

ISSUE AREA	CSI SECTOR SUBCOMMITTEE	NAME / SUMMARY OF PROJECT
Community Technical Assistance/Community Involvement	Automobile Manufacturing	Community Technical Assistance and Involvement: Create a system in which communities play a positive and informed role; helping to improve the environmental and economic performance of local employers, (Project approved by Subcommittee and merged with Alternative Sector Regulatory System project below)
	Iron & Steel	Good Neighbor Process: Develop a model "good neighbor" process to break down barriers between communities and facilities so that they can jointly address opportunities for environmental improvement. (Under consideration)
	Printing	Living Lab Project: See Reporting Requirement issue area,
	Printing	Multi-Media Flexible Permitting Pollution Prevention Project: See Permitting issue area.
Permitting	Iron & Steel	Multi-Media Permitting: Develop a multi-media permitting process covering air, water, and waste for a steel mini-mill. (Project approved by Subcommittee)
	Iron & Steel	Permitting Issues: Document problems associated with the application of performance or technology-based standards; develop case studies and recommendations to address problems. (Project approved by Subcommittee)
	Printing	Multi-Media Flexible Permitting Pollution Prevention Project: Develop a permit system applicable to printers that allows for operational flexibility, pollution reduction across all media, and improved protection of the environment, workplace, and community. The system will be simpler to implement and manage for regulatory agencies and businesses, assure compliance, and enhance access for the public. (Project approved by Subcommittee) "Also a Pollution Prevention and Community Involvement project"

ISSUE AREA	CSI SECTOR SUBCOMMITTEE	NAME / SUMMARY OF PROJECT
Alternative/Flexible Regulatory Systems	<i>Automobile Manufacturing</i>	Alternative Sector Regulatory System: Devise an alternative regulatory approach which provides for flexibility attaining the environmental goals, (Project approved and merged with Community Technical Assistance/involvement project above)
	<i>Automobile Manufacturing</i>	Regulatory Initiatives: Explore auto-specific concerns with New Source Review, Title III and Title V of the Clean Air Act; and identify solutions that will reduce the burden and cost, and improve environmental protection while addressing other stakeholder positions. (Project approved by Subcommittee; one recommendation being made to Council 10/18/95)
	<i>Computers & Electronics</i>	Investigate and Develop Alternative (Track 2) Approaches: Develop alternative regulatory approaches that are more flexible, result in enhanced environmental, health and safety performance, and increased accountability and public and worker engagement. (Project concept approved by Subcommittee)
	<i>Iron & Steel</i>	Alternative Compliance Strategy: Determine whether pollution reductions from other sources can and should be used to offset a facility's inability to remain in compliance 100% of the time for a given pollutant from a specific source. (Project approved by Subcommittee)
	<i>Metal Finishing</i>	Promoting Improved Performance Flexible Track Project (Metal Finishing 2000): Work with top tier firms in selected geographic areas to test the environmental and economic effects of providing greater flexibility for firms to achieve "beyond compliance" performance. (Project approved by Subcommittee; Connecticut, Rhode Island, and Michigan projects under development)
	<i>Metal Finishing</i>	Voluntary Programs: Link EPA's voluntary programs effectively with the metal finishing industry, identifying unique opportunities and payoffs of specific programs for metal finishers. (Project approved by Subcommittee)
	<i>Petroleum Refining</i>	Regulatory Alternatives: Conduct a pilot project at a volunteer refinery to determine the feasibility of improved environmental management at lower cost in return for regulatory flexibility. (Project concept approved by Subcommittee)

ISSUE AREA	CSI SECTOR SUBCOMMITTEE	NAME/SUMMARY OF PROJECT
Reporting Requirements	<i>Computers & Electronics</i>	Combined Uniform Report for the Environment (CURE): Design and test the CURE reporting system. This reinvented approach to reporting would be based on a fresh, bold look at the information needs to assure that the information collected is truly useful and based on the needs of the multi-stakeholder group. Additionally, the CURE will provide streamlined and consolidated reporting while providing electronic reporting and increased public access to Information. (Project approved by Subcommittee)
	<i>Iron & Steel</i>	Consolidated Multi-Media Reporting Requirements: Develop single, annual, electronically-submitted multi-media activity report consolidating duplicative current reporting requirements. (Project approved by Subcommittee)
	<i>Metal Finishing</i>	Reporting: Develop the Reporting Information Inventory Team Evaluation (RIITE) pilot to assess cumulative burden and public data needs in specific geographic areas. Conduct business process reengineering of all reporting requirements. (Project approved by Subcommittee; Arizona and Texas stakeholder groups being assembled)
	<i>Petroleum Refining</i>	Reduce Duplicative Reporting Requirements: Compile all air emission reporting requirements at a pilot refinery on a local, state, and federal basis. Identify duplication and recommend a streamlined, consolidated reporting alternative. Significance/understandability of data and education of public is a consideration. Existing Community Advisory Panel (or equivalent group) will be vehicle for community inclusion. (Project approved by Subcommittee)
	<i>Printing</i>	Living Lab Project: Revamp environmental Information systems for the printing Industry such that all stakeholder needs are identified and satisfied; develop an environmental health program; evaluate various methods used to promote environmental stewardship among printers; and develop holistic approaches to regulation of the printing industry. (Project concept approved by Subcommittee) "Also a Community Involvement and Environmental Stewardship Project"

ISSUE AREA	CSI SECTOR SUBCOMMITTEE	NAME/SUMMARY OF PROJECT
Pollution Prevention	<i>Automobile Manufacturing</i>	Life-Cycle Management / Partnerships: Develop principles and strategies for the application of life cycle management through enhanced supplier partnerships, as a means of further reducing environmental Impacts in an economically efficient manner. (Project approved by Subcommittee)
	<i>Computers & Electronics</i>	Overcome Barriers to Pollution Prevention and Recycling in the Manufacturing Process: Encourage and increase pollution prevention and recycling in the computers and electronics manufacturing process by developing recommendations to remove identified barriers to those activities. (Project concept approved by Subcommittee)
	<i>Compute & Electronics</i>	Develop a System for Managing End-of-Life Consumer Electronic Equipment: Begin the process of building an effective national system for managing end-of-life consumer electronic equipment. (Project concept approved by Subcommittee)
	<i>Computers & Electronics</i>	Develop a System to Address "Obscure Policy Problem": Establish a process to ensure that EPA regulatory interpretations and/or determinations intended to or likely to affect the environmental management practices of the regulated community be compiled, made easily accessible, and publicized as appropriate to interested stakeholders. (Recommendation being made to Council 10/18/95)
	<i>Metal Finishing</i>	Chrome Plating Pollution Prevention Project: Conduct chrome plating pollution prevention technology demonstration project. (Project approved by Subcommittee; 3-6 pilot projects in Midwest under development) <i>"Also an Innovative Technology Project"</i>
	<i>Printing</i>	New York Education Project: Achieve fundamental change within the printing sector to incorporate the philosophy of pollution prevention into everyday work practices through education and outreach. The initial target of this project will be small printers, followed by customers and suppliers. (Project approved by Subcommittee)
	<i>Printing</i>	Multi-Media Flexible Permitting Pollution Prevention Project: See Permitting issue area.

ISSUE AREA	CSI SECTOR SUBCOMMITTEE	NAME / SUMMARY OF PROJECT
Compliance	<i>Metal Finishing</i>	Metal Finishing Guidance Manual Project: Develop an essential tool for shop managers to achieve and exceed compliance. Manual would include federal and state compliance information, plus information on technology, pollution prevention, and environmental management systems. Keep current through Metal Finishers National Resource Center (below). (Project approved by Subcommittee)
	<i>Metal Finishing</i>	National Resource Center Project: Make available customer-oriented on-line compliance and technical assistance to metal finishers nationwide. (Center funded and under development)
	<i>Metal Finishing</i>	New England Clean Project: Develop audit program and amnesty incentives for voluntary compliance and pollution prevention actions by metal finishers. (Project approved by Subcommittee; now being developed in EPA Region 1)
Brownfields	<i>Iron & Steel</i>	Brownfields Demonstration: Develop and document a process to redevelop an iron and steel brownfields site including designing a model redevelopment authority, developing a pilot process, and identifying and initiating projects. (Project approved by Subcommittee)
	<i>Metal Finishing</i>	Environmentally Responsible Transition Demo Project: Develop a replicable transition process for old, outdated metal finishing firms focusing on site evaluation, stabilization, and long-term transition/improvement strategy. (Project approved by subcommittee; pilot project under development)
Innovative Technology	<i>Iron & Steel</i>	Barriers to Innovative Technology: Develop a process for identifying and resolving barriers to the adoption of innovative technology. (Project approved by Subcommittee)
	<i>Iron & Steel</i>	Bulletin Board for Innovative Technologies: Develop an electronic bulletin board containing information about innovative technology and other identified areas. (Project approved by Subcommittee)
	<i>Metal Finishing</i>	Research and Technology Strategic Plan Project: Develop a research inventory, needs assessment/match with research programs, and plans for targeted technology development and diffusion to metal finishers. (Project nearing completion)
	<i>Metal Finishing</i>	Chrome Plating Pollution Prevention Project: See Pollution Prevention issue area.

ISSUE AREA	CSI SECTOR SUBCOMMITTEE	NAME / SUMMARY OF PROJECT
<i>Proposed Rules</i>	<i>Metal Finishing</i>	Metal Products and Machinery Effluent Guideline Rule: Continue ongoing stakeholder dialogue to seek consensus on issues raised in The proposed rule. (One recommendation being brought to Council 10/18/95; five other issues under consideration)
<i>RCRA issues/Definition of Solid Waste</i>	Metal Finishing	RCRA Waste Issues: Develop pilot to address “Definition of Solid Waste” regulatory issues, (especially F006 wastewater treatment sludges) in a metal finishing context. (Project approved by Subcommittee; data gathering and project planning under way; Wisconsin/Illinois pilot under development)
<i>Access to Capital</i>	Metal Finishing	Access to Capital Project: Identify barriers metal finishing firms face in obtaining funding for pollution prevention and other environmental expenditures; explore innovative ideas for doing so. (Project approved by Subcommittee)
<i>POTWs</i>	<i>Metal Finishing</i>	POTW Training and Education Project: Work with fewer tier POTWs to improve their performance and enable them to promote Improved pretreatment practices by metal finishers in their systems. (Project approved by Subcommittee; possible pilot projects in Indiana/New York)
<i>Environmental Stewardship</i>	<i>Printing</i>	Living Lab Project: See Reporting Requirement issue area.

XL - Regulatory Reinvention Pilot Projects Fact Sheet

What are XL projects ? Real world tests of innovative strategies that achieve cleaner and cheaper results than conventional regulatory approaches. Each project will involve the granting of regulatory flexibility in exchange for an enforceable commitment by a regulated entity to achieve better environmental results than would have been attained through full compliance with regulations. EPA has set a goal of implementing fifty pilot projects in four categories:

- XL projects for facilities
- XL projects for sectors
- XL projects for communities
- XL projects for government agencies regulated by EPA

President Clinton created XL with his *Reinventing Environmental Regulation* initiative. The President describes XL projects as giving regulated entities “the opportunity to demonstrate *excellence and leadership... the flexibility to replace the requirements of the current system... with an alternative strategy developed by the company.*”

Is this a federal, state, or local program ? EPA is taking a decentralized or “franchising” approach to the implementation of XL projects. Individual projects should be managed by the units of government that are best suited to address the issues raised by the project. EPA will not move forward with projects unless state and tribal regulatory agencies are full partners, so we encourage you to consult with and seek the support of these agencies while developing your proposal. States and EPA regions will play key roles in project selection. Stakeholder involvement is also important to EPA in this process. As such we will view favorably proposals developed with local governments, environmental groups, and citizens organizations.

How do I create an XL project ? EPA wants to be able to choose from a diverse pool of innovative project ideas, and so we are using a simple and flexible proposal process. We tell you where to send proposals and the criteria on which proposals will be judged. The rest is up to you. We expect the average proposal to be short, no more than 10 pages in length. Send project proposals, as well as any comments on XL, to: EPA at: Regulatory Reinvention Pilot Projects, FRL-5197-9, Water Docket, Mail Code 4101, US EPA 401 M Street, S.W., Washington DC, 20460. Please send four copies of all materials.

What is the time line? Short. We hope to select the first projects in early summer. However, this will be a “rolling admissions” process with no set end date. Projects will be reviewed and selected as proposals come in. Once a project is selected, our goal is to move to implementation within six months. That means that we want to have the first projects in implementation by the end of the year.

How do I find out more? Contact Jon Kessler, XL director, at EPA’s Office of Policy Analysis (202)260-4034. A May 22, 1995, *Federal Register* notice gives more detail.

**Selection Criteria for XL Projects”
(Facilities, Sectors and Agency Projects)**

1. **Environmental results.** Projects that are chosen should be able to achieve environmental performance that is superior to what would be achieved through compliance with current and reasonably anticipated future regulation. “Cleaner results” can be achieved directly through the environmental performance of the project or through the reinvestment of the cost savings from the project in activities that produce greater environmental results. Explicit definitions and measures of “cleaner results” should be included in the project agreement negotiated among stakeholders.
2. **Cost savings and paperwork reduction.** The project should produce cost savings or economic opportunity, and/or result in a decrease in paperwork burden.
3. **Stakeholder support.** The extent to which project proponents have sought and achieved the support of parties that have a stake in the environmental impacts of the project is an important factor. Stakeholders may include communities near the project, local or state governments, businesses, environmental and other public interest groups, or other similar entities.
4. **Innovation / Multi-Media Pollution Prevention.** EPA is looking for projects that test innovative strategies for achieving environmental results. These strategies may, include processes, technologies, or management practices. Projects should embody a systematic approach to environmental protection that tests alternatives to several regulatory requirements and/or affects more than one environmental medium. EPA has a preference for protecting the environment by preventing the generation of pollution rather than by controlling pollution once it has been created. Pilot projects should reflect this preference.
5. **Transferability.** The pilots are intended to test new approaches that could conceivably be incorporated into the Agency’s programs or in other industries, or other facilities in the same industry. EPA is therefore most interested in pilot projects that test new approaches that could one day be applied more broadly.
6. **Feasibility.** The project should be technically and administratively feasible and the project proponents must have the financial capability to carry it out
7. **Monitoring, reporting and evaluation.** The project proponents should identify how to make information about the project, including performance data available to stakeholders in a form that is easily understandable. projects should have clear objectives and requirements that will be measurable in order to allow EPA and the public to evaluate the success of the project and enforce its terms. Also, the project sponsor should be clear about the time frame within which results will be achievable.
8. **Shifting of risk burden.** The project must be consistent with Executive Order 12898 on Environmental Justice. It must protect worker safety and ensure that no one is subjected to unjust or disproportionate environmental impacts.

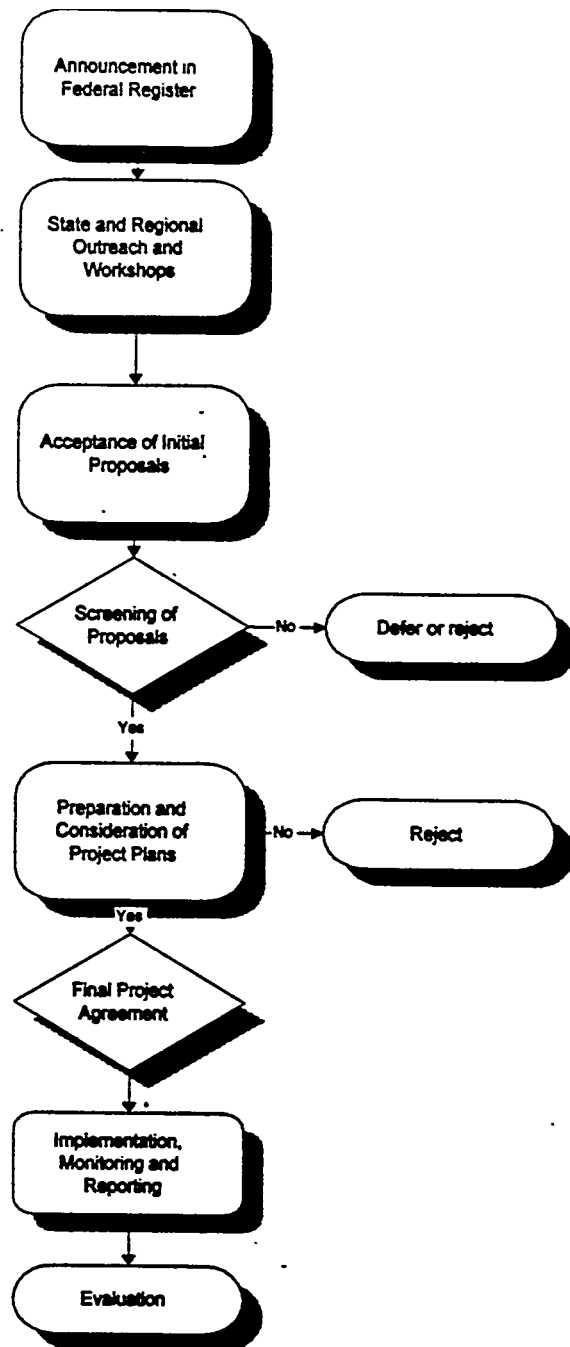
Flow Chart for Pilot Projects

Stage 1
Project
Solicitation
(ongoing
rolling
admissions
process)

Stage 2
Initial Project
Selection
(our goal is
one month
from receipt
of proposal
to Initial
decision)

stage 3
Preparation of
Project Plans
(our goal is
six months from
project selection
to Final Project
Agreement)

stage 4
Implementation
and
Evaluation
(1 -5 years,
but flexible)



ENVIRONMENTAL PROTECTION AGENCY

[FRL-5197-9]

Regulatory Reinvention (XL) Pilot Projects

AGENCY **Environmental Protection Agency (EPA)**
ACTION: **Solicitation of Proposals and Request for Comment**

SUMMARY: EPA is announcing a set of actions to give regulated sources the flexibility to develop alternative strategies that will replace or modify specific regulatory requirements on the condition that they produce greater environmental benefits. This document announces three of EPA's regulatory reinvention pilot programs: the XL program for facilities; the industry-wide or sector-based XL program; and XL program dealing with government agencies regulated by EPA. EPA invites private and public entities or groups of entities regulated by EPA under its various statutory authorities to submit proposals in these areas. Proposals for a fourth area-the community-based XL program - will be accepted at a later time. This document also invites interested members of the public to comment on all aspects of these programs. The document responds to President Clinton's announcement contained in the March 16, 1995, document *Reinventing Environmental Regulation*, that EPA would implement pilot programs to develop innovative alternatives to the current regulatory system.

EPA has set a goal of implementing a total of fifty projects in the four program areas. Each project will involve the exercise of regulatory flexibility by EPA in exchange for a commitment on the part of the regulated entity to achieve better environmental results than would have been attained through full compliance with all applicable regulations. This program will be undertaken in full partnership with the states. These pilots complement EPA's ongoing regulatory reinvention activities, including the Common Sense Initiative and the Environmental Leadership Program. This summer, EPA will select up to six project proposals and begin the development of a final project agreement. Final Project Agreements for the remaining pilots will be based on EPA's learning experience on the initial projects.

The document includes background information on the programs; a description of the programs; their relationship to other regulatory reinvention activities; the criteria process, and timing for the selection of projects; an invitation for public comment; and the Information Collection Request document required by the Paperwork Reduction Act..

DATES: The period for submission of proposals will begin upon EPA's announcement in the Federal Register that clearance has been obtained under the Paperwork Reduction Act, allowing EPA to accept proposals. This will be an open solicitation with no set end

TEXT OF PROJECT XL FEDERAL REGISTER NOTICE PUBLISHED MAY 22,1995

date, and project proponents may submit more than one project proposal. The period for comment on all aspects of the programs will begin with publication of this document and extend for thirty days. The period for comment on the attached Information Collection Request will begin with the publication of this document and extend for ten days.

ADDRESSES: Project proposals and all comments should be sent to: Regulatory Reinvention Pilot Projects, FRL-5197-9, Water Docket Mail Code 4101, US EPA, 401 M Street, S. W., Washington, DC, 20460. The docket accepts no faxes. In addition to providing general information about the proposed project, project proponents are encouraged to comment on the relationship of their proposals to the criteria for project selection described in this notice. Proponents of projects are invited, but by no means required, to submit other useful materials in paper or other audio/visual or electronic formats. Please send four copies of all materials.

FOR FURTHER INFORMATION CONTACT: Jon Kessler, Office of Policy, Planning and Evaluation; United States Environmental Protection Agency West Tower 1013; 401 M Street, S. W.; Mail Code 2111; Washington DC, 20460. The telephone number for the Office is (202) 260-4034. The facsimile number is (202) 401-6637.

SUPPLEMENTARY INFORMATION.

BACKGROUND: Over the last two years, the Environmental Protection Agency has charted a course designed to demonstrate that environmental goals can best be achieved by providing regulatory and policy flexibility while maintaining accountability, that flexibility can also provide greater protection at a lower cost, that better decisions result from a collaborative process with people working together, and that environmental solutions are often achieved by focusing efforts at the facility or place where protection is being sought. EPA has found that allowing facilities, communities, and other entities to explore non-tractional pollution control solutions can result in regulated entities achieving environmental protection results beyond those anticipated by current regulations or policies. Often these alternative approaches produce cheaper, more efficient results as well.

DESCRIPTION OF THE PROGRAMS: On March 16,1995, the President announced as part of his National Performance Review regulatory reinvention initiative that EPA would develop a set of pilot projects that provide the flexibility to test alternative strategies to achieve environmental goals. The initiative will give a limited number of regulated entities an opportunity to demonstrate excellence and leadership. They will be given the flexibility to develop alternative strategies that will replace or modify specific regulatory requirements on the condition that they produce greater environmental benefits. In exchange for greater flexibility, regulated entities will be held to a higher standard of *accountability* for demonstrating project results. This Federal Register Notice is a solicitation for pilot project proposals in the three general areas: industry-wide projects

TEXT OF PROJECT XL *FEDERAL REGISTER NOTICE* PUBLISHED MAY 22, 1995

(XL for Sectors); facility based projects (XL for Facilities); and government agency projects (XL for Government). Proposals are invited from groups of firms in an industry, individual regulated facilities, and government agencies regulated by EPA.

These projects will require the participation of state and tribal regulatory agencies. In most cases, these agencies are full partners with EPA as they implement EPA programs that have been delegated to them. EPA is taking a decentralized or “franchising” approach to the implementation of XL programs. Under this approach, individual projects will be managed in most cases by the units of government that are best suited to address the issues raised by the projects. These may be state or tribal environmental agencies that are co-regulators with EPA, EPA headquarters, or EPA regional offices. As they develop project proposals, project proponents should coordinate with *and gain the* support of their state and tribal environmental agencies that have regulatory responsibility within the scope of the project. In addition to their role as co-regulators, these same agencies, as well as other local government agencies, are major stakeholders in the management of environmental quality. As such their support for project proposals should be sought in any case.

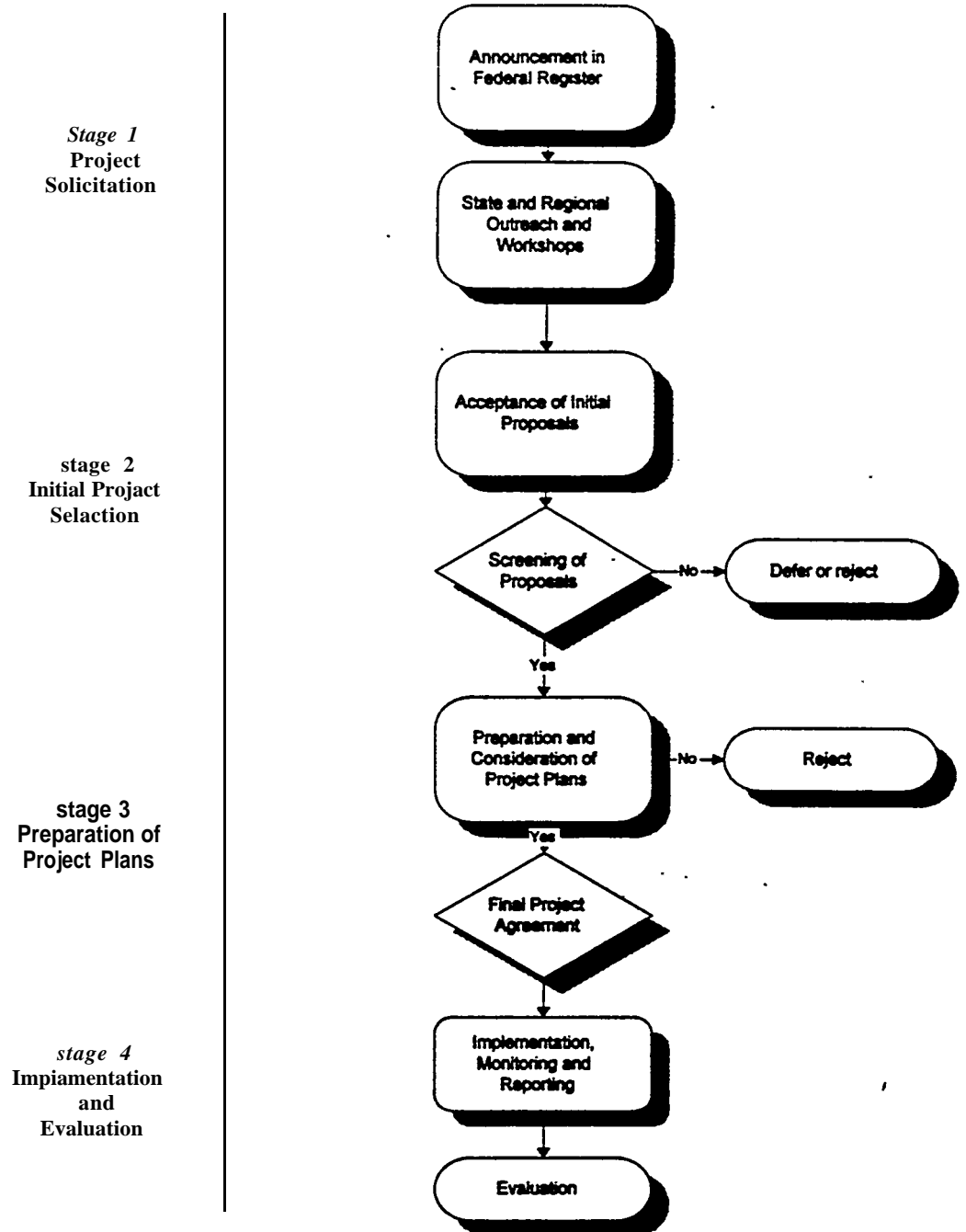
Selection and participation in the program will proceed as indicated in the flow chart that follows. EPA expects that there will be competition among project proponents for acceptance into the program. The first stage in the process begins with the publication of this notice. Those who have projects meeting the listed criteria are encouraged to submit initial project proposals. EPA will then review submissions to select those that do most to advance the purposes of this program. An internal review process has been established to evaluate proposals submitted in response to this notice. This group, consisting of representatives of state and tribal environmental agencies as well as EPA headquarters and regional offices, will screen all proposals, considering the criteria described in this notice, and recommend proposals for further development. The group may also seek additional comment from relevant local environmental officials.

Based on the recommendations of the review group, EPA will invite particular project proponents to join with state or tribal environmental agencies, as well as other co-regulators, to develop a Final Project Agreement. EPA will encourage project proponents at this stage to incorporate their project plans into the overall strategic plan of the business entity. In any case, the responsibility for developing detailed project plans that address the program criteria will be with the project proponents. Only the signing of a Final Project Agreement will constitute the selection of a pilot as a full fledged pilot project. Parties to the Final Project Agreement should include at least EPA project proponents, state or tribal environmental agencies, as well as other co-regulators. These agreements will deal with project-specific issues such as legal authority for project implementation, provision for regulatory flexibility for pilots, public involvement, specific commitments to environmental progress, expected environmental results,

enforceability, etc. Each Final Project Agreement should clearly set forth objective, specific requirements that the subject facility or facilities have agreed to meet. EPA anticipates that the agreements will be structured so that any enforcement relief EPA has provided with respect to applicable regulatory requirements will be conditioned on the facilities' compliance with the specified requirements. EPA invites project proponents to include, in their proposals, suggestions for additional or alternative approaches to enforcing these requirements. Unless otherwise agreed to by both EPA and the proponent the time to negotiate and sign a Final Project Agreement should be limited to six months from the date of initial project acceptance. The final phase of the program involves implementation, monitoring, and evaluation of the agreement terms.

EPA will hold a series of state and regional workshops to provide additional information on the programs and on project proposal development.

Flow Chart for Pilot Projects



DATA QUALITY ISSUES: To demonstrate that an alternative environmental management strategy is more effective than existing and reasonably foreseeable future regulatory requirements, project proponents should estimate both the baseline result from these requirements and the environmental results from the alternative strategy for their specific projects. These estimates are likely to be uncertain due to scientific and/or engineering questions as well as to interpretations of future applicable regulatory requirements. An important element of the Final Project Agreement will be an explicit statement concerning what data and analyses are needed to make these findings. The Final Project Agreement will be based on the learning experience EPA has with the projects it initially selects.

PROJECT EXAMPLES: Consistent with EPA's objective to develop and demonstrate more flexible environmental management strategies, EPA intends to be flexible in entertaining proposals pursuant to this notice. In evaluating proposals, EPA will consider the selection criteria included in this notice. EPA also encourages proponents of proposals to be creative in suggesting alternative strategies and new forms of flexibility. To help stimulate such creativity, we provide the following guidance for the three different types of pilot projects. *These examples are intended to be illustrative only; EPA encourages the submission of other types of projects that address the selection criteria and that have the strong prospect of producing "cleaner, cheaper, smarter" results compared to the current system.*

Facility-based XL projects National environmental requirements may not always be the best solution to environmental problems. Substantial cost savings can sometimes be realized and environmental quality enhanced through more flexible approaches involving pollution prevention. Pilot projects focused on individual facilities should test alternatives to current environmental management approaches driven by compliance with existing regulations. Taking account of facility-specific circumstances, the overall objective should be to devise and test more flexible approaches that result in both better environmental results and reduced compliance costs.

Industry - wide XL projects. The Many regulations affecting an industry are often promulgated piecemeal over a long period of time rather than as a comprehensive environmental program. In many cases, national regulations apply relatively uniform requirements to many industries with very different environmental and economic characteristics. Pilot projects addressing these problems might take many forms. One example is the approach taken in The Netherlands, where overall environmental performance objectives and emission reduction targets for entire industries are negotiated between trade associations and the government, followed by enforceable facility - specific agreements to implement the industry-wide goals. Such projects might take the form of combining all federal (and possibly state) requirements for an industry into a single, integrated Final Project Agreement. Sector-based and place-based strategies might be

combined in a project that focused on a number of facilities in the same or related industries within a given geographic region or ecosystem. Projects might propose development of enforceable "best management practices" for pollution prevention or pilot the application of upcoming ISO 14000 voluntary environmental standards within a specific industry sector. *EPA also encourages projects that combine an industry-wide component with facility-specific pilots to test the industry-wide strategy being developed.*

XL projects for government agencies regulated by EPA. Government agencies, in the management of their facilities, have the same environmental responsibilities and face many of the same regulatory issues as private businesses. Agency-sponsored projects might test concepts with broad application in both public and private sector facilities. In seeking to comply with environmental statutes, however, government agencies also face unique obstacles and often have unique opportunities to innovate. Pilot projects in this category might address themselves to the unique issues faced by government agencies, such as the optimization of environmental control strategies over the long term in the context of annual budgeting, *or the* ability to reduce overall compliance costs by controlling specific pollution sources out of reach of environmental regulators. Outside of the process described today, the Department of Defense and EPA are working to develop pilot projects at two to four DOD facilities. The DOD pilots will seek to define performance goals and create an optimal approach to achieve those goals, combining compliance with unique pollution prevention and technology resources available to DOD.

RELATIONSHIP OF PILOTS TO OTHER REINVENTION EFFORTS: The Common Sense Initiative was launched to move the Agency beyond the traditional medium by medium approach to environmental management to a systematic, sector-based approach. Announced in July 1994, the CSI focuses on six industry sectors -auto manufacturing, computers and electronics, iron and steel, metal finishing, petroleum refining, and printing industries. Each is directed by a consensus-based, multi-stakeholder advisory subcommittee, with CSI as a whole directed by the Common Sense Initiative Council operating under the Federal Advisory Committee Act. The purpose of CSI is to recommend changes in environmental regulation, statutes and programs that will result in "cleaner, cheaper, and smarter" outcomes for entire industries. Such changes, when accepted and promulgated, will lead to permanent adjustments to current programs.

Each of the CSI sector-specific subcommittees is developing a plan covering a broad spectrum of activities including (but not limited to) regulations, pollution prevention reporting requirements and public access to data permitting, innovative compliance assistance and enforcement, and innovative technology. In some cases, these plans will include projects that meet the criteria outlined today for regulatory reinvention pilots. Firms or other project sponsors in CSI industries are encouraged to develop XL projects. Project sponsors in CSI industries considering such work through CSI in order to develop them. This will enable them to take advantage of the substantial

progress being made through CSI including established stakeholder committees, working relationships among stakeholders, and progress toward identifying common concerns. (Project sponsors in CSI industries should contact Vivian Daub, Interim Director, Common Sense Initiative, at (202) 260-7417).

The Environmental Leadership Program (ELP) grew out of a desire to test innovative compliance approaches such as third-party auditing. It is one of the means for streamlining compliance oversight as referenced in the President's March 16 announcement. ELP allows facilities to identify ways to streamline reporting requirements and reduce compliance inspections, without sacrificing environmental and public health protection. Facilities will use innovative management techniques such as environmental auditing and pollution prevention to reduce the burden of paperwork and inspections on the facilities, while enhancing compliance with existing environmental laws. At the completion of these one-year pilot projects, the lessons learned from these projects will be applied to others.

ELP differs from the XL programs being announced today in that the XL programs include flexibility from existing regulation in exchange for the attainment of environmental results beyond what would have been achieved through full compliance with those regulations. ELP projects, on the other hand, work to achieve improvements in environmental quality within existing regulatory requirements.

EPA expects that Compliance-oriented ELP projects may include regulatory innovations, and that some projects conducted pursuant to today's notice will also address compliance systems. EPA welcomes XL program proposals from ELP participants. (For information on ELP contact Tai-Ming Chang, Director, Environmental Leadership Program, at (202) 564-5081).

LEGAL MECHANISMS FOR PILOT PROJECTS: EPA will seek to use a variety of administrative and compliance mechanisms to provide regulatory flexibility for final project agreements. Where a pilot project does not fully comply with one or more environmental requirements (e.g., where a facility does not fully attain a technology-based emission or discharge standard but adopts a pollution prevention program or installs additional controls on other releases so as to achieve superior environmental results at the facility), EPA will use enforcement mechanisms to facilitate the projects. These will be conditioned on the pilot project meeting requirements specified in the project plan. In particular circumstances, EPA may consider changes in underlying regulations, or may seek changes in underlying statutes. EPA recognizes that these questions raise issues of importance both to the Government and to potential participants in regulatory pilot projects. Applicants are invited to present EPA with proposed approaches tailored to provide the regulatory flexibility for their pilot projects.

PROJECT CRITERIA: EPA will consider the following criteria in evaluating pilot project proposals:

1. Environmental results. Projects that are chosen should be able to achieve environmental performance that is superior to what would be achieved through compliance with current and reasonably anticipated future regulation. "Cleaner results" can be achieved directly through the environmental performance of the project or through the reinvestment of the cost savings from the project in activities that produce greater environmental results. Explicit definitions and measures of "cleaner results" should be included in the project agreement negotiated among stakeholders.
2. Cost savings and paperwork reduction. The project should produce cost savings or economic opportunity, and/or result in a decrease in paperwork burden.
3. Stakeholder support. The extent to which project proponents have sought and achieved the support of parties that have a stake in the environmental impacts of the project is an important factor. Stakeholders may include communities near the project, local or state governments, businesses, environmental and other public interest groups, or other similar entities.
4. Innovation / Multi-Media Pollution Prevention. EPA is looking for projects that test innovative strategies for achieving environmental results. These strategies may include processes, technologies, or management practices. Projects should embody a systematic approach to environmental protection that tests alternatives to several regulatory requirements and/or affects more than one environmental medium. EPA has a preference for protecting the environment by preventing the generation of pollution rather than by controlling pollution once it has been created. Pilot projects should reflect this preference.
5. Transferability. The pilots are intended to test new approaches that could conceivably be incorporated into the Agency's programs or in other industries, or other facilities in the same industry. EPA is therefore most interested in pilot projects that test new approaches that could one day be applied more broadly.
6. Feasibility. The project should be technically and administratively feasible the project proponents must have the financial capability to carry it out.
7. Monitoring, reporting and evaluation. The project proponents should identify how to make information about the project, including performance data, available to stakeholders in a form that is easily understandable. Projects should have clear objectives and requirements that will be measurable in order to allow EPA and the public to evaluate the success of the project and enforce its terms. Also, the project sponsor should be clear about the time frame within which results will be achievable.
8. Shifting of risk burden. The project must be consistent with Executive Order 12898 on Environmental Justice. It must protect worker safety and ensure that no

one is subjected to unjust or disproportionate environmental impacts.

EPA intends to work cooperatively with project proponents to develop and refine acceptable approaches. At the same time, the Agency must retain the ultimate authority to select projects based on a qualitative consideration of these criteria. Moreover, given the pilot nature of the programs proposed today and the limited number of slots, projects that satisfy many or all of the criteria may nonetheless not be selected if, in the Agency's judgment, other proposed projects better serve the objectives of the program. Moreover, no person is required to submit a proposal or obtain approval as a condition of commencing or continuing a regulated activity. Accordingly, there will be no formal administrative review available for proposals that are not selected nor does EPA believe there will be a right to judicial review.

TIMING FOR PROJECT SELECTION: EPA intends to invite selected project proponents to negotiate final project agreements on a phased basis, with a small number of early selections followed by a period of project selection on a rolling basis. This summer, EPA plans to invite approximately six project proponents to begin the development of a Final Project Agreement. Beyond that date, project proponents will be invited to enter the next phase of the program on a rolling basis. EPA intends to select and initiate approximately 50 pilot projects within the next two years.

REQUEST FOR COMMENT ON ASPECTS OF PROGRAM PILOTS: Interested members of the public are invited to comment on all aspects of the pilot project program. EPA requests specific comment on the legal mechanisms for implementing project agreements, and the data requirements for determining both existing environmental baselines and the level of environmental quality that would result from the project agreement.

PAPERWORK REDUCTION ACT: The information collection provisions in this notice, including the request for proposals, have been submitted for approval to the Office of Management and Budget (OMB) under the Paperwork Reduction Act, 44 U.S.C et seq. An Information Collection, Request document has been prepared by EPA (ICR No. 1749.01) and is attached as an appendix to this notice. Additional copies may be obtained from Sandy Farmer, Information Policy Branch; EPA 401 M Street, S.W. (Mail Code 213, Washington DC 20460 or by calling (202)260-2740. These information collection provisions are not effective until OMB approves them and a notice of OMB approval containing the ICR control number is published in the FEDERAL REGISTER. EPA will announce by separate Federal Register notice when proposals may be submitted.

Public reporting burden for this collection of Information is estimated to average 150 hours per application response, including time for reviewing instructions; developing the

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proposal; reviewing the proposal through respondent management; and consulting in some fashion with state or tribal co-regulatory agencies as encouraged in the solicitation. An additional 10 hours per respondent are estimated to be required of the state and tribal agencies consulted in the development of project proposals.

Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Information Policy Branch; EPA; 401 M Street, S.W. (Mail Code 2136); Washington DC 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503, marked "Attention: Desk Officer for EPA." The period of comment for the Information Collection Request will begin with the publication of this notice and extend for ten days.

Fred Hansen
Deputy Administrator

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